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NEWS SUMMARY

GENERAL

Irish held in police raids

After raids by armed police of Scotland Yard's anti-terrorist squad on houses in London and Reading, Berks, yesterday, a number of people were being held in London and six people—four men and two women—in Reading.

Police said that the six detained at Reading were all Irish and in their mid-thirties. No firearms, ammunition or explosives had been found at two raided addresses.

In Belfast, police investigating the murder in hospital of Mrs. Maire Drumm, former vice-president of Provisional Sinn Féin, said that they believed a Protestant paramilitary group was responsible.

Later, a caller to a Belfast newspaper claimed responsibility on behalf of the Ulster Freedom Fighters, a group regarded by security forces as a cover for the more extreme activities of the Ulster Defence Association.

The Provisional Sinn Féin, political wing of the Provisional IRA, is planning "a large farewell" for Mrs. Drumm when her funeral is held on Monday in Belfast's strongly Republican Andersonstown area.

BUSINESS

Equities and gilts continue to rise

● **EQUITIES** continued to rise but fell back from the highest levels. The FT 100 index closed 6.2 up at 285.1, having gained 9.5 earlier. The All-Share rose 2.8 per cent to 119.92 for a loss on the week of just over 3 per cent.

● **GILTS** were encouraged by the early rapid rise in sterling. Longs had gains ranging to 3 and shorts to 1. The Government Securities index rose 0.39 to 56.42.

● **STERLING** rose 1.6c to \$1.5860; its weighted depreciation narrowed to 48 (48.8) per cent. The dollar's widened slightly to 2.39 (2.38) per cent.

● **GOLD** gained \$1 to \$124.

● **WALL STREET** was 8.56 up at 961.19 near the close.

● **U.S. MONEY SUPPLY:** M1 \$208.6bn. (\$210.7bn.); M2 \$724.3bn. (\$725.8bn.); commercial and industrial loans, up \$106m. (up \$229m.); key interest rates: 4.99 (4.97) per cent; 90 to 119 day paper 5 (5.05) per cent.

● **CITIBANK** followed Continental Illinois in lowering its prime rate to 6½ (6½) per cent. Back Page



Heath to enter Walsall fray

Mr. Edward Heath, the former Tory leader, is to campaign on Monday on behalf of the party's candidate who has an outside chance of winning the Walsall North by-election in spite of failed former MP Mr. John Stonehouse's 15,885 General Election majority. Back Page

Early Brezhnev visit ruled out

Mr. Boris Ponomarev, the Soviet official whose visit has provoked strong protest, said that his experience has ruled out an early visit to Britain by Mr. L. Brezhnev, Soviet Communist Party leader. At Clerkenwell Court, a man who took part in a protest against Mr. Ponomarev's visit dressed as a Russian soldier, was fined £25.

Move to jail Eye editor fails

A second attempt by Sir James Goldsmith to have Private Eye editor Mr. Richard Ingrams jailed was rejected by the High Court. Lord Widgery, Lord Chief Justice, and two other judges dismissed Sir James's claim that an article was in contempt of court. Sir James has instructed solicitors to appeal against yesterday's judgment.

Police chief

Mr. David McNee, the 51-year-old Chief Constable of Strathclyde, is to succeed Sir Robert Mark as 1976-77 Commissioner of the Metropolitan Police in March. Page 9.

Mr. Merlyn Rees, Home Secretary, told the Commons yesterday that he was firmly against formation of a new party.

Madrid clashes

Riot police and public transport workers clashed violently in Madrid today. Troops were called in to drive buses. Page 15.

Thrifty gnomes

The Swiss are the thriftiest people in the world with more money in savings accounts than anyone else, the International Savings Bank Institute said.

Briefly . . .

Mr. Merlyn Rees, Home Secretary, is to visit Manchester today to investigate snapper bogtrotting.

Raf Jiam Chamchea, a baby tonic salesman, is charged with sexual offences, is charged with sexual offences, is charged with sexual offences.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Treasury 9½ 1981	250	22
Treasury 12½ 1981	296	2
Govt Properties	90	7
Assoc. Dairies	180	6
Assoc. Newspapers	102	9
BAT's Inds.	226	8
Outer Ryder	163	4
Complix	461	41
Peter A.	168	2
Devoutier Bros.	128	8
Glaro	215	7
Gunneta Peel	122	12
Weyburn Siddeley	336	10
ICI	266	4
Ladbroke	71	5
Land Secs.	89	4
Lofnro	13	6
Manx (G.)	32	2
Sandeman (G.)	37	3

Cabinet discusses economic package for late November

BY RICHARD EVANS, LOBBY EDITOR

The Government is working to complete a package of economic measures ready for an announcement late next month after the visit of International Monetary Fund officials to London to discuss Britain's £2.3bn. loan application.

Some Ministers—notably Mr. Anthony Wedgwood Benn, Secretary for Energy, and Mr. Peter Shore, Secretary of the Environment—have been arguing forcefully in the Cabinet against any further public spending cuts in the package, but they are far from having won their case.

It was authoritatively stated in Whitehall yesterday that all options remain open to Ministers and a final decision will await the IMF officials' visit, which starts next week.

Although there would undoubtedly be vigorous resistance to further spending cuts from within the Labour Party, particularly the Left-wing, the indications are that contingency plans are now being drawn up by a number of spending departments.

These were tentatively considered at a Cabinet meeting on Tuesday, and although discussions are still at an early stage Ministers seem resigned to an element of public spending cuts appearing as part of any package. What remains to be decided is where the axe will fall.

Fierce opposition to further cuts was said to come from Mr. Wedgwood Benn and Mr. Shore, as expected, and from Mr. Anthony Crosland, the Foreign and Commonwealth Secretary. But this was strongly limited yesterday by close associates.

Support from such a senior, moderate Minister for a rear-

guard against further cuts would be a major problem for Mr. Callaghan and Mr. Healey but the Foreign Secretary is said not to have reached any conclusion on further cuts yet.

Mr. Crosland did not participate in Tuesday's Cabinet discussion. He was known to have opposed the last batch of proposed cuts but is said to be keeping an open mind on the need for further cuts at this stage.

Significantly, the Cabinet would have the absolute backing of the Manifesto Group of moderate Labour MPs in a package that included either increased indirect taxation, public spending cuts, or both.

Battle

The moderates' preferred measure would be a 2 per cent increase in value-added tax to 10 per cent, and higher excise duties, however.

Any Parliamentary battle would have to be fought with the Left-wing, and although this would prove bitter and damaging to party unity, Ministers could rely on the support of the Liberals and at worst the abstentions of Tories in any votes on reducing public spending.

A minor but still important element in the timing of any package is the Parliamentary timetable. The Queen's Speech has been postponed to November

24 and it would be highly inconvenient for Ministers to make the expected economic statement before then.

An immediate debate of one or two days would be demanded and there is no conceivable time for one in the present session if the Government is to get all its legislation through as planned.

In spite of the strains of the last few weeks, Ministers are continuing to stress that any necessary measures would be taken to ensure the success of the Government's economic strategy, and Mr. Callaghan was in particularly optimistic mood yesterday.

The Prime Minister referred in a message to Mr. Dale Campbell-Savours, Labour candidate in the Workington by-election, to the "unprecedented opportunity" Britain had to break out from decades of decline into a new era of prosperity.

The basis of this sustained recovery was the partnership between the Government and trade unions. "The social contract, together with the industrial strategy to regenerate British industry, is the only means to reverse the downhill trend of recent years."

Its full implementation would enable the Government to forge a powerful British economy in the next decade. "So long as we implement the necessary decisions, now there is a good prospect for the country."

Downhill

"The data I look at leads me to conclude that the economy will be accelerating in the fourth quarter and into 1977."

This did not prevent Mr. Carter, campaigning in Philadelphia, from charging this morning that "the economy is headed downhill in the months ahead."

Each day brings new evidence that the economic picture ahead shows more unemployment and a further decline in

the standard of living for the average worker. It's time for new leadership with new ideas to get our economy moving again."

Nobody knows for sure whether the latest economic news will really hurt the President's chances. He has lived on a fairly consistent diet of bad news for the last two months and yet, in the opinion of most surveys, has nevertheless continued to narrow the gap with Mr. Carter.

Organised labour has been motivated to go to work for Mr. Carter with a vengeance.

It is the polls which are giving Mr. Ford the greatest encouragement, however, that he tries to convince the country that he possesses that indefinable quality called "momentum" and is about to "pull a Harry Truman."

The latest good news for him came last night from California, where the pollster Marvin Fuld found Mr. Ford with a 48-40 point lead, five points more than two weeks ago.

Mr. Field's record, it has often been said, is not impeccable, which is why Mr. Patrick Cadell, Mr. Carter's own pollster, immediately rushed out his own survey which gave the Democrat a 48-44 point lead in the State.

A long night—Page 10

British Rail plans to raise fares by 12½% in January

BY KEVIN DONE, INDUSTRIAL STAFF

BRITISH RAIL plans to increase fares by an average of 12½ per cent from January 2.

If proposals now before the Price Commission are approved, they will hit commuters in London and the South-East hardest. There fares would rise by an average of 16 per cent, but the service would still lose about £170m a year.

Details of British Rail's application, made 11 days ago, were given yesterday to leaders of three rail unions at a meeting of the railways' joint consultative committee in Peterborough.

Mr. William Rodgers, the new Secretary for Transport, said this week that there could be no question of increasing the present annual passenger subsidy of £224.1m.

Mr. Parker said that the plan would have been a "great risk," but British Rail had not to keep its costs right. "We have great sympathy for our customers, but the Government says no more money is coming in support of the rail and we have to react to that."

British Rail said yesterday that the fare increases, which will be applied selectively, were

in line with the latest predictions for rises in the rate of inflation.

It was estimated that they would yield an additional £50m, reversing next year. There was no question that increases had reached the point of diminishing returns.

In the last 20 months fares have risen by 62½ per cent, as 12½ per cent.

British Rail has struggled to deal with the effects of abandoning the policy of price restraint followed until the end of 1974. In the same period the volume of passenger traffic dropped by 4 per cent.

Inter-city ordinary fares will go up by 10 per cent. Local fares will rise generally by about 12½ per cent.

Features

Presidential elections	10
Gift-edged: A system under strain	11

ON OTHER PAGES

Labour News	15
Leading Article	16
Letters	16
Man of the Week	22
Money & Government	25
Weathering	25
Overseas News	26
Racing	26
Share Information	26
Stock Exch. Report	26
52 Week's Deadline	26
TV and Radio	26
Unit Trusts	26
Wall St. & Prices	26

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Richard tries to bridge Rhodesia gap

BY BRIDGET BLOOM GENEVA, Oct. 29.

nothing against Mr. Richard personally.

Bishop Muzorewa said: "We have come to this conference fully aware of our strength. The African National Council is not here in a spirit of give-and-take—we have come here only to take our country."

Opening statements at this morning's session by the leaders of the four nationalist delegations and by Mr. Ian Smith, the Rhodesian Premier, showed that the gap between the sides was as wide as ever.

All the Africans demanded that Britain organise the transfer of real power to an African majority interim Government and grant full independence in less than two years and a basis for negotiation exists between black and white delegates.

Publicly, the British delegation here is optimistic, no doubt partly from relief that there has as yet been no breakdown.

Mr. Richard's task is to see whether the gap can be bridged. This will be done through bilateral contact and the conference has been adjourned at least until Tuesday.

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Crucial days

However, no one underestimates the difficulties of the part which will be played by a settlement eventually to be reached.

To-day's session, after yesterday's hesitant start, was adjourned—albeit following statements by each delegation leader. Mr. Joshua Nkomo spoke first, followed by Bishop Muzorewa, Mr. Robert Mugabe, Mr. Sithole and finally the Rev. N. Sithole.

While there were considerable differences in tone between the statements, the mood of those present, agreeing that Bishop Muzorewa presented the hardest line and Mr. Sithole the most conciliatory, the statements were notable for their overall similarity.

All demanded a rapid and real transfer of power from the present white Government to a new majority African interim Government, and all agreed that the time-table of two years for full majority rule and independence was too long.

Mr. Nkomo and Mr. Mugabe stressed their alliance with the recently-formed Patriotic Front, again repeated that Britain should upgrade the conference by appointing a British Minister as chairman, although they emphasised that they have

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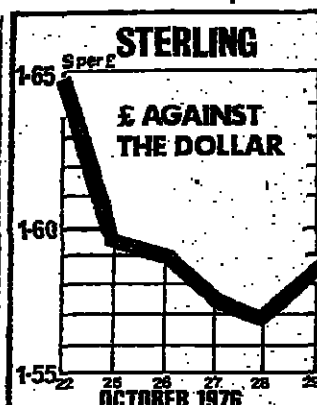
Two blacks were killed and two wounded when police opened fire on rioters in an African township near Dundee, about 180 miles from Pretoria. Main of the week, Back Page

Priority

Seats in that Government would be apportioned according to the number of votes each party's candidate for Prime Minister received.

There seems little chance of that gaining acceptance. But it is from the diametrically opposed views expressed at today's meeting that Mr. Richard, with the help of the observers from the African, Asian, States and from the U.S. must try to assemble proposals which can form the basis for detailed negotiations.

Two blacks were killed and two wounded when police opened fire on rioters in an African township near Dundee, about 180 miles from Pretoria. Main of the week, Back Page



Buffeted £ closes 1.60 cents ahead

By Peter Riddell, Economics Correspondent

THE POUND fluctuated sharply again yesterday, after speculation about a possible funding of the sterling balances. The rate rose by over 41 cents at one stage and closed 1.60 cents up at \$1.5860.

This was a fitting end to a week dominated by speculation and rumours. The net result has been an overall drop of 8.25 cents in the pound. The trade-weighted depreciation narrowed by 0.5 points to 48 per cent, yesterday. Though this is still a widening of 2.7 points on the week.

Minimum Lending Rate was unchanged at 15 per cent. There had been speculation earlier in the week about a possible rise in interest rates, but this had largely receded by Thursday evening.

Brief

The latest rumour was favourable to sterling but short-lived in its impact. The rise in the rate up to a peak of \$1.6132 in London was started by BBC reports that Britain was seeking a \$7bn. to \$10bn. international loan to fund the sterling balances.

Initially Whitehall refused to comment. As hopes of such a refunding were dampened down, sterling began to slip, and some selling from New York led to a fall of two cents from the lunchtime level of \$1.6050.

The reports of a possible funding are seen in London as premature. Although the Prime Minister said on television on Monday night that it would like to get rid of the reserve fund, he also said that the Government would not be prepared to "pull a Harry Truman."

The latest good news for him came last night from California, where the pollster Marvin Fuld found Mr. Ford with a 48-40 point lead, five points more than two weeks ago.

Mr. Field's record, it has often been said, is not impeccable, which is why Mr. Patrick Cadell, Mr. Carter's own pollster, immediately rushed out his own survey which gave the Democrat a 48-44 point lead in the State.

A long night—Page 10

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Your savings and investments

Still on a bullish tack

CHRISTOPHER HILL

THOUT A doubt this has been a depressing week for investors and commentators alike in that the renewal of the "oil crisis" has submerged the market with a series of features which were absent in the 1974 bear market. It is now hard to see the market at current levels, the U.K. investor would be in fixed interest and have his full share of indexed-linked. Save you Earn (including the others of his family). But, average investor does not matter in such black-and-white terms, the proof of the pudding being that disillusioned investors in equities have in the past shifted their money to professional fund managers rather than getting out together.

What do the experts think of the situation and are they liquid? Going liquid was a case towards the middle end of 1974, although with slight most managers now in that they were in the guard of re-investment. Now they need to have quite a bit of the point of being liquid. The point of being liquid is a definite withdrawal from the market position earlier this year that the U.K. market was the up-and-up. While there have been bearish sentiments in recent newsletters, the U.K. market has been in a state of confusion.

major Dutch insurance group), the majority of large unit trust managers are still veering towards the bullish tack and keeping liquidity levels down. This is significant because they are the sharp end of the institutional investment market and one can detect the feeling that they do not want to be left out of any major upturn. Memories of being unable to deal when the U.K. market turned in early 1975, are still strong and no one wishes to be left stranded in a wholly liquid position. It is also realised that, with conditions as unstable as they are, it is perhaps no longer realistic to talk in terms of traditional bull and bear markets. The last "bull" market lasted little over a year and perhaps the current "bear" market might be even shorter.

Still it is interesting to find that Slater-Walker Investment Management is returning to its bearish stance with a 30 per cent. overall liquidity level, feeling that there is a need to go for while interest rates remain at current high levels. This is in contrast to M. and G. which is "getting bullish" has only 5 per cent. liquidity and takes the fundamental view that U.K. stocks are at very low price levels. Similarly Barclays Unicorn, Safe and Prosper and Allied Hambro have liquidity levels of 10-12 per cent. in their U.K. funds and seem more inclined to buy on any significant falls in the U.K. market from now on than to sell.

It is always very difficult to tell whether this would in fact be the course of action if the U.K. market does continue on its current downtrend, particularly in view of the fact that major overseas markets appear to be following a similar downward pattern. This might be the overall guiding factor, for, as David Fuller, of Chart Analysis, currently suggests, world markets are all reflecting disappointment with the pause in world economic recovery. A resumption of the trend might be even more important for the U.K. market and therefore the equity investor than any temporary effects of an IMF loan or a restrictionist economic package.

Ever since the International Monetary Fund's gold auction started, the market for gold coins in London has been on a mainly downward trend, punctuated by volatile periods until just recently. With the IMF's fourth auction this week fixing the price at \$118.80 (\$7 higher than the previous auction) confidence has certainly risen in London and dealers have stopped taking the view that the price could fall to \$90 an oz. Indeed the fall in sterling itself has helped investors in kruggerands and anyone who bought the coins in the low sixties in sterling terms is now showing a handsome profit. The domestic price of the kruggerand was around £80 per coin on Friday, showing a premium of 2.8 per cent. over the gold content of each coin.

WHENEVER the stock market is suffering an acute depression the thoughts of many investors turn to the highest yielding shares. However, in many cases these attractions do not stand up to close scrutiny. After all, yields are usually highest in those areas where the dividends are in the greatest danger.

The building industry is a prime example of this. Within the FT's Share Information Service, the building industry columns contain no less than 23 companies which are yielding in excess of 18 per cent., and of these 12 have returns of more than 20 per cent. UBM group is one of the highest yielders in this sector with a return of almost 25 per cent. but this is not fully covered by historic earnings and after a pre-tax fall from £1.7m. to £1.1m. in the recent interim figures, the market is clearly doubtful whether this return will be sustained in the current year.

In order for a high yielder to have any real attraction it is necessary that the dividend is at least maintainable and also that there is a realistic chance of some improvement in the near future. When looking for reliable income stocks it is perhaps wisest to drop one's gaze down the yield lists to the 12 to 15 per cent. range. Having done this it should become obvious that the shares which fit the aforementioned requirements cover a very wide range.

Any investor looking for this type of investment needs to build up a broad portfolio, but it is worth remembering that even some relatively small sectors can provide a fair share of opportunities. Motor distributors are a case in point. Even a glance should reveal at least three companies which possess the qualifications of income stocks, Kenning Motor, Dutton Forshaw and Lex Services.

As far as the first two are concerned the yields look well protected. The respective historic returns are 14 per cent. and 12.8 per cent.; the Kenning Motor yield is covered more than

Looking at the high yielders

BY TOM KYTE

Company	Price	Yield	Cover
Dutton Forshaw	21½	12.8	3.6
Imperial Group	50½	14.0	1.6
Kenning	36½	14.0	2.3
Lex Service	25	18.0	1.8
London Brick	29	13.9	3.2
Plessey	54	13.0	2.1
Spillers	23	17.5	1.8

twice while Dutton Forshaw's have as many, if not more, prob- lems than their smaller counter- parts. Even so the constituents' interim figures showed pre-tax profits up from £1.38m. to £3.3m. and the group has at least four names which must have received Treasury permission for an exceptional increase in the 1976 dividend to 4.5p. This Group, London Brick, Plessey gives a yield of around 18 per cent. which is covered 1.8 times and the previous year's earnings were covered only 1.6 times. In any exercise of this kind it is impossible to ignore the blue chips. Because of their full year (against size many of these companies £106m.) the return does not

appear to be under any pressure. For London Brick the market may hold rather more doubt about the security of its 13.9 per cent. yield. It has after all been suggested that the group is now nearing the end of its profits cycle. Even so, the cover of three times looks healthy and the group reckons that it will be able to hold volume at the half-time level throughout the year; the first half pre-tax level rose from £5.09m. to £5.89m. Plessey's yield is, slightly lower at 13 per cent. but with a cover of two times it appears to be in no immediate danger, especially since evidence has recently come through to suggest profits recovery is now under way. Spillers is probably the least certain of the four allowing that its interim profits were £3m. lower at £5.67m. pre-tax. But even here the dividend cover is around 1.8 times and the chances of a second half profits improvement looks good. Thus, it seems unlikely any reduction will be made this year.

Having taken all these areas into consideration though, it is worth remembering that often, during a bear market, income seekers will hold on to their shares that bit too long. Even for these investors there is a point where it is wise to cut their losses and sell.

Charges

THE RECENT debate about unit trust charges which has been carried on in our columns has aired most of the points, but there are perhaps some additional factors which need to be taken into consideration. One is not so concerned about the level of charges when the business was in its major expansionary phase in the late '60s and early '70s. But now that sales are harder to get, the effect of percentage charges is not so advantageous and fixed costs of management are rising all the

time. It is also true that some investor expects by way of management companies are also tended to raise costs. But, while there is a natural tendency to resist higher charges, one cannot help feeling that there are too many anomalies in the investment field where charges are concerned. Life companies which sell single premium bonds such as managed and property funds have much greater freedom to load in management charges and expenses, while unit trusts are in a virtual straitjacket. Now that most unit trust groups also appear in other fund management guises it is not surprising that emphasis on "unit-linked" is increasing.

Exceptions to the rule

ERIC SHORT

THE LIFE Offices Association, for that usually reticent, extremely vocal in intruding its new scale of initial missions for life policies, using the method of assessment from a sum assured to a minimum-related basis. There is a lot of trumpet-blowing for the service being given to consumer, in that no longer old commission of 300 per cent. of the premium be paid whole life non-profit policies young lives.

We applauded this move and discussed the implications these columns. Therefore I disturbed to discover that LOA has the power to exempt life companies from this and has done so in the case of eight of its members. A month's edition of Money magazine disclosed the position and named the life companies receiving the favoured treatment. What perturbed me was that when I phoned LOA for confirmation, I was told that this had always been the situation, even under old agreement. Yet nothing said in the Press conference about this concession.

It appears that the LOA is agreed to allow small life companies to pay higher com-

missions if the size of business and market share justify this move and the company, because of its small size, is unable to operate within the existing scale. The company has to apply



Mr. K. H. Allen, chairman LOA

and the application is considered by all the members at the monthly meetings. All members have to give approval. The maximum extra commis-

sion allowed is an increase of one-quarter to the published scale. Thus on a whole life policy the normal limit is 90 per cent. of the premiums payable, 60 per cent. in the first year and the balance in the next. The concession would allow 75 per cent. to be paid in the first year and 37½ per cent. in the following year—a combined level of 112½ per cent., approaching the 125 per cent. offered by Equity and Law, the largest life company outside the LOA.

But the public is not informed of this concession by the LOA. I was told that it does not publicise its decisions taken at members' meetings. The public has to find out for itself—how I do not know, since I only discovered this feature by chance. The favoured companies—Bedford Life, Economic Federation Mutual, Hodge Life, Langham Life, Provincial Life, Schroder Life and Western Australian should inform all clients that they pay higher commissions than the published standard.

Moreover, the LOA, in the interest of all consumers, must publish full details of how this concession operates and who are the beneficiaries.

More on the rescue Saga

LONDON Indemnity and Mutual Insurance saga is now after two years since the company ran into financial trouble, the rescue scheme of agreement came into operation last Monday. Policyholders have to decide whether to stay with the company or cash-in their contracts.

making their decision, investors need have no worry of the financial stability of the company. There is a new made up of representatives from six members of the consortium of insurance companies. The investment agreement and the admission of LIGI is now in the hands of the Prudential—a lead-member of the consortium. There is no danger of contracts being honoured. Policyholders should have received a letter explaining their

position under the scheme. It should give details of the current surrender value of their contract should they wish to cash-in. I am informed that this value will be held for about two months, so policyholders have a little time to consider their position. If they do decide to stay, then they should pay up all premium arrears, in accordance with the instructions in the letter so as to be fully covered for the death benefit.

Meanwhile, policyholders with Nation Life, the company that was not rescued, cannot hope for another payment until well into next year at the earliest. Mr. Gerry Weiss, the liquidator, is still hopeful that, despite the rise in interest rates, he will be able to make a third payment during the first quarter of 1977.

His problem is that most of

the remaining assets waiting to be sold are properties, including the Bournemouth complex which brought Nation Life's problems to a head, many of which are not prime properties. The rise in interest rates has made it even more difficult to dispose of these assets at a reasonable price. And Mr. Weiss feels that it is not administratively economical to make a payment of less than 10p in the pound.

One solution which was put to me, perhaps humorously, was that instead of paying out in dribs and drabs policyholders' claims should be put in a hat each time and those lucky enough to be drawn should be paid in full. I doubt whether this is legally possible, but it would at least satisfy some policyholders.

A bit of cheerful news is that the liquidator has received the first payment under the rescue scheme of the International Credit Bank of Geneva. This amounts to 17 per cent. of the claim in terms of Swiss Francs, but the movement in the exchange rate since the deposit was made in 1974 means that the liquidator has received 22 per cent. in sterling terms.

A letter from a reader this week queried the value quoted last Saturday on this page for the index-linked Retirement Savings Bond. He apparently did not realise that the National Savings Committee has relieved bondholders of the chore of doing the calculation to find out the value of their bond. Each month a large sheet is sent to all Post Offices which shows the repayment value of the bonds that month according to the month of purchase. This sheet is certainly displayed in a prominent position in my local Post Office.

How to make the perfect after dinner speech.

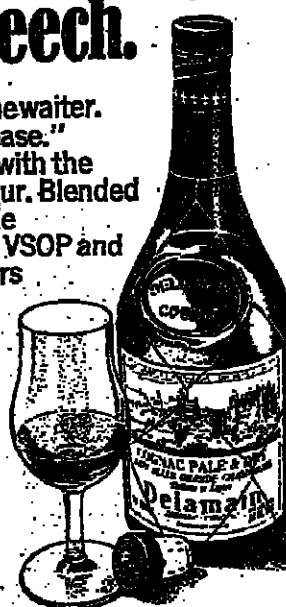
Address yourself to the winemaker. d say "Delamain Cognac, please."

"The pale and dry cognac with the lique, smoothly rounded flavour. Blended in the vineyards of the Grande Champagne district. Older than VSOP and in a house with over 150 years experience."

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Up come the Aussies

SYDNEY, Oct. 21

Star of the final Earls Court Motor Show has to be the Aston Martin Lagonda, an electronics-laden alternative to the Rolls-Royce and was built from scratch in seven months.

No one, least of all the Society of Motor Manufacturers and Traders, knows exactly what kind of event the 1978 Motor Show will be. I hope it won't just be the 1976 car and truck shows, combined and transferred to the spacious halls of the National Exhibition Centre.

ments in Majorca with Gatwick. I found no problems going out to Praslin and Digue, but had no time to visit the Canary Islands, with a out to Bird Island. Rank long-established year-round Kuhn includes, in addition

My advice to anyone thinking of starting with lilies is to pick the easy ones to begin with. To those already named I would add *Lilium henryi*, *L. speciosum* and *L. bulbiferum* including its variety *Crocium* which is usually listed as if it were a separate species. I would also include a few well-tried hybrids such as Golden Clarion, Pink Perfection and Bright Star, all of which have grown reasonably well with me. In neutral or alkaline soil I would plant *L. chalcedonicum*, the brilliant scarlet turk's cap lily and if a damp spot were available in dappled shade I would also plant *L. pardalinum* the tall Panther lily of the Californian woodlands. But unless I knew the district was favourable for it I would be wary of planting the Madonna lily, *L. candidum*, because of its susceptibility to grey mould. I would also rigidly exclude *L. rigrinum*, easy and showy though it is, because to have it is the surest way of introducing virus to the garden and so ruining all the other lilies.



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Even handsome young
fletcher Christian "may be
called a little bow legged. He
subject to violent perspira-
tion and particularly in the
hands so that he soils any
"handies." All the men have
been "tastowed" in Tahiti; and
light's description of their
backs indicates a remarkable
"manly." Christian had a "star
on his left breast and
the backside." Two or three
the younger men also seem
have been so decorated below
a belt.

Coincidentally, at the same
time as Bligh's journal comes
to the market, one of the
most legendary of early chrono-
metrists has come to light, and
it to be sold, again by Christie's,
a "Geneva safe on Monday
week.

It was made by Harrison's
greatest successor, Thomas
Mudge, whose fortunes with the
award of Longitude were no
harder (he was blind and paralysed
when he finally received the
honour due to his superb in-
struments). By 1779 when
Mudge submitted the chronome-
ter which was his crowning
achievement, the Board were
mandating two instruments
from any competitor.

Mudge accordingly made two
chronometers; almost (but not
exactly) alike, which he christ-
ened "Blue" and "Green."
(pictured above); according to
the colour of their boxes. Prac-
tically identical as they were,
their trial both Blue and
Green went off to sea, and were
never heard of again—or at
least, not until 1922 when Eli-
ah arrived in Sweden, was turned
over to the Swedish Navy at
No. 2250 by the Clock
Company and eventually

HOME NEWS

Probe launched into fall in pit productivity

ROY HODSON

GOVERNMENT has set up a committee to probe the fall in productivity at the pits. It believes has now reached alarming proportions.

The committee has set up with the National Board of Mine Management to discover why the pits are failing to meet production targets and suggest ways of improving them.

The committee has already received the latest figures, which show a fall in productivity of about 10 per cent. by the end of the year.

Both management and union leaders are embarrassed that this should happen when the Government is underwriting a fundamental modernisation and expansion of the industry with the £350m. ten-year plan for coal and the £100m. plan for investment in coal mining at a rate of about £400m. a year from 1988-2000.

Mr. Joe Gormley, president of the National Union of Mineworkers, said at Selby yesterday that it was impossible to identify a single factor as the cause of the fall in productivity.

The miners and the NCB had to cooperate to boost production in the next six months to bring the industry back on target.

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year, while the number of men working in the pits has fallen only slightly.

The Government and the Coal Board fear that should the trend continue, there will be a fall in mining productivity of about 10 per cent. by the end of the year.

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ICI puts 10p on fibres prices

By Rhys David, Textiles Correspondent

ICI FIBRES, Britain's biggest fibre producer, is to put up the price of all its rayon and polyester yarns and fibres by 10p a kilo from Monday in an attempt to recover part of the cost increases incurred this year.

The group, which is expecting a further loss this year, has been hit by higher costs for its main oil-based raw materials largely because of the decline in the value of sterling.

To the end of September, the company estimates, costs were up 24 per cent. on a year ago, and in the final quarter the effects of the further fall in sterling will be felt.

The increases will lift the price of the main textured polyester filament yarn from £12.5 a kilo to £13.5, with polyester staple moving up to 90p. Prices for middle denier range nylon filament (textile yarn) are around £1.50. The 10p increases on the different fibre types are in the range from 7 per cent. to 12 per cent.

Mr. John Stuart, ICI Fibres deputy chairman, said yesterday that, even with the increase, the company would still be well within the rises already sanctioned by the Prices Commission.

Polyester filament was selling at £12.3 as long ago as 1974 and has only this year climbed back to £12.5 after falling to £1 at the bottom of the recession.

The latest price increase follows rises for various fibres this year where market conditions permitted, including most recently higher industrial yarn prices, but ICI claims that this is the first across-the-board increase it has instituted. Until 1973 fibre prices were declining as a result of the development of bigger plants and cheap feedstock prices.

The improvements had been ICI Fibres has trimmed staff by about 15 per cent. since the beginning of last year, but Dr. Brian Smith, the chairman, recently warned that improvements in productivity were proceeding more slowly.

The improvement had been about 10 per cent. against a target set last year of 30 per cent.

ICI's move, which is likely to be followed by other U.K. producers, applies to new contracts. Prices agreed previously will operate for existing contracts.

ICI has announced a general price increase for its range of "Elastic" acrylic resins in the U.K. from November 15. The average increase will be about 30 per cent.

ICI to expand soda ash plant with £11m. plan

By Rhys David, Chemicals Correspondent

IMPERIAL CHEMICAL Industries yesterday announced an £11m. modernisation soda ash complex in Cheshire, which supplies raw materials to Britain's glass and other industries.

The scheme, due for completion by mid-1979, will also create 80,000 tonnes of capacity, bringing the company's total soda ash manufacturing capacity up to around 1.75m. tonnes.

The Glass Manufacturers Federation yesterday welcomed the move, which means that the industry will be assured of a continuing and reliable source of supply for one of its most important raw materials from within Britain.

There is, for instance, no sizeable immigrant population, so Mr. McNeen has not had to deal with the delicate issue of racial tensions. The nearest minority groups, the nearest to the police, are the Irish and the Glaswegians. Apart from asking the Press and broadcasting people to keep cool heads in reporting sectarian skirmishes, police involvement has been minimal.

Mr. McNeen has been given any real chance to deal with terrorism, on the scale Sir Robert has had to face. The few extremist groups brought to trial in Scotland in the past few years, like the "Army of the Provisional Government" and the "Tartan Army," were amateurs compared with the IRA.

Organiser

What Mr. McNeen has been given is the chance to learn about organisation and administration. Welding together forces unlike in outlook and experience was no small task, and one he seems to have done well.

He is also credited with having provided Strathclyde with the most modern computer back-up service in the world, giving the man on the beat full access to police records within seconds.

Mr. McNeen is married with one daughter, and counts among his hobbies fishing and golf. He was awarded the Queen's Police Medal in 1975.

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Organiser

Syria trains rockets on Right-wing strongholds

BEIRUT, Oct. 29.

SYRIA has trained at least two rocket batteries on Right-wing positions amid growing signs of strain in the marriage of military convenience between Syria and the Right in Lebanon's civil war.

Travellers arriving here to-day reported that two Katyusha rocket batteries have been dug into a hillside at Baalsham, a village about 12 miles east of Beirut, which the Syrians captured earlier this month.

The travellers, familiar with Soviet-made weapons, said the batteries were unmistakably trained at nearby Beit Meri and Broummana, two villages held by the Right from where heavy artillery has been pounding the city of Beirut.

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U.S. computer sale to China

BY JAY PALMER

NEW YORK, Oct. 29.

PRESIDENT FORD has overruled the objections of the Energy Research and Development Administration and officially approved the sale of a large U.S. computer, which could be used for military as well as industrial purposes, to China.

The move, which White House officials described as a gesture of friendship to the new Chinese leaders, comes almost exactly two months after the U.S. government finally approved the sale of a large IBM computer to the Soviet Union.

The Chinese are buying two Control Data Corporation "Cyber 172" computers as well as associated equipment. Although Administration officials said that the Soviets would not be able to buy the same equipment, CDC noted that the two "Cyber 172s" are the equivalent of the one "Cyber 73" already purchased by Russia.

It is understood that the Pentagon withdrew its original objections to this Chinese sale following State Department guarantees that Control Data personnel would be given full access to Chinese computer centres and full information on computer use.

Although this sale has cleared the various U.S. regulations regarding sales of possibly strategic materials to Communist countries, it must still be cleared by Comcom, the informal grouping of NATO and other countries which maintains that the present arms embargo prohibited Communist imports of U.S. officials said they expected Comcom approval.

PCI criticises Andreotti's economic plan

By Dominick J. Coyle

ROME, Oct. 29.

The powerful Italian Communist Party has lined itself up with both the International Monetary Fund (IMF) and the European Economic Community (EEC) in suggesting that the present minority Christian Democrat Government must here be not yet done enough by way of monetary and fiscal measures to put the economy to rights, and particularly to win the battle against inflation.

The Communist leadership has written to Sig. Giulio Andreotti, the Prime Minister and to the leadership of all the democratic parties representing in Parliament, calling "without prejudice" for an all-party conference.

Its purpose, says the PCI, is to examine all possibilities of agreement on the various goals to be reached within the next weeks and months so as to avoid a further deterioration of the Italian economic situation.

The formal invitation from the PCI highlights three areas for immediate all-party co-operation:

1-Within the EEC framework the Andreotti Government should submit an overall development programme to Parliament, including measures for the defence of the lira and provisions to reduce Italy's current balance of payment deficit.

2-Fiscal measures should be immediately estimated and implemented, in view of the Government's announced measures for development, investment and employment.

3-Particular attention should be given to all possibilities for immediate intervention to support production and to favour entrepreneurial equilibrium, to increase employment and to fight inflation.

Tuesday night the National he had a completely clean bill of health.

Korabiyov said the immediate steps were being taken to improve safety in the hotel. An automatic alarm system would be installed as soon as possible, and emergency procedures posted in each room. For the first time, they would no longer be locked; instead, they would be fitted with special latches that enabled them to be opened from the inside at any time.

Preliminary inquiries have shown that the fire started in the hotel bedroom he said. The cause, according to the firemen, was a naked flame and not an electrical fault. He expected the results of the inquiry would be published and added that the inquiry was keen to dispel foreign anxiety about the security of Soviet hotels.

Many of the guests in the Western businessmen as the Moscow offices. And with over 2m. Western tourists now visiting Moscow each year, it is possible impact of this tragedy is clearly causing concern.

With this now the second fire in three years involving the death of foreign guests (two people died in a Leningrad hotel fire in 1973), it is likely that the entire safety procedure will be tightened up.

The lingering feeling of unease among the guests redoubled in the evening when we discovered that once the firemen had gone, all the fire doors were once again locked. I asked for an interview with the hotel manager Mr. Boris Korabiyov for an explanation. In a visibly shaken state he agreed to explain what had happened.

He confirmed that fire doors are always kept locked as a matter of course. The reason was to keep out intruders, he said. But clearly the authorities also want to stop foreigners entering and leaving the hotel through unsecured exits. He also confirmed that there was no automatic alarm or bell system and that only the landing maids had copies of evacuation procedures.

In case of fire, Mr. Korabiyov said, these maids were responsible for raising the alarm by banging on doors, and for locking the fire exits and getting people out. When I pointed out that several fire exits had not been unlocked, Mr. Korabiyov regretted that this was true, and said an inquiry had been ordered.

When asked why the order to keep exits locked and other fire regulations were not made known to the guests, Mr. Korabiyov replied that until

Fromarty ethinks strategy

Ray Perman, Scottish Correspondent

R PERMAN SCOTTISH CRSMARTY Petroleum began trying to re-assess its strategy today to build a new refinery (Viggo, Easter Ross, after the re-visit to Parliament) to buy land essential to the project by compulsory purchase.

Bill promoted by the private-owned company was asked several times by MPs setting to the scheme, and on Friday Government business managers said that there would be no more time for it this session.

Meetings in London and New York, the company began to consider the four options open to it if the project is to be carried out.

He simplest would be to reduce the Bill next session, that would run the risk of their blocking and being vetoed out of the tight legislative programme.

Other courses would be to ask Highland regional council to acquire the land, using its powers under the Community Development Act, and leave it to the company, or to ask either the Highlands and Islands Development Board or the Scottish Development Agency to try to acquire the land.

These methods would entail a delay, and so the company also likely to consider trying to reach agreement with the landowner, Mr. Michael Chingale, who set in train the inflammatory opposition to the scheme.

Texaco raises petrol prices

CACO YESTERDAY became the third oil company to raise prices. The wholesale price of petrol went up by 3p from 10.8 to 10.9.

Like the other companies, the rise price of its four star petrol at the pumps will be about 4p, depending on the degree of cutting in different areas.

Texaco has also put 3p a gallon on home heating oil, and 4p on medium and heavy fuel.

Texaco raised petrol prices by a gallon wholesale—4p yesterday and on Tuesday it announced a 3p-a-gallon increase.

AN IN THE NEWS

Silent Scotsman of the Yard

BY RAY PERMAN, SCOTTISH CORRESPONDENT

he Home Secretary had set out to find an exact opposite to Sir Robert Mark as the man to become the next Metropolitan Police Commissioner. It is hard to think that he could come up with a better candidate than the one he has chosen.

David McNeen, 51, demonstrated how unlike Sir Robert he is almost as soon as his appointment was announced. At a Press conference in Glasgow yesterday he merely read out a prepared statement and posed for photographs. There were no interviews, and he declined to answer questions about how he will tackle the most difficult police job in Britain.

Varley hints at more aid to save Courtaulds jobs

FINANCIAL TIMES REPORTER

A HINT of Government aid to save the 1,000 jobs at Skelmersdale threatened by closure of Courtaulds textile plant came yesterday from Mr. Eric Varley, the Industry Secretary.

The Minister said that top-level talks were to take place. Mr. Varley and Mr. Albert Booth, the Employment Secretary, will meet Sir Arthur Knight, chairman of Courtaulds, in London on Tuesday.

The aim was to "get the facts." Mr. Varley told a Press conference in Manchester. "There may be scope for further assistance but we must have a very clear picture of how Courtaulds themselves see it."

Mr. Varley said that Sir Arthur had told him last week that Courtaulds' financial position was deteriorating and that steps would have to be taken.

"At that meeting the question of Skelmersdale did come up and they said they had no intention of closing it at that time. It came as a shot out of the blue when we were told earlier this week that Skelmersdale was going to close."

"I spoke to Sir Arthur on the telephone and said we had to look at the economic and social factors and asked him to postpone an announcement until he had talked to the Government. He could not see his way to do that."

The Government wanted to know the facts. "It is absolutely essential that we examine the various consequences and see if there is any assistance the Government can give."

He could not speculate on what form any assistance might take. Courtaulds had lost £8m. at Skelmersdale in recent years.

"Labour relations have not been good over parts of that time. It was true that Courtaulds generally had received 'millions' of public money in employment subsidies."

Mr. Colin Barnett, secretary of the North-West council of the TUC, said he would ask Mr. Varley for an inquiry into the way Courtaulds had used the public money.

There were fresh moves yesterday to prevent the closure of Courtaulds' Furzebrook Knitting Mill at Alnwick, Liverpool, in which the company has a 50 per cent. share.

Management and senior shop stewards set up a joint working party to review the problems of increasing productivity.

Government aid urged for quiet jetliners

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT is being urged by the Local Authorities Aircraft Noise Council to make sure that the smaller aircraft are available to U.K. airlines to enable them to buy quieter jetliners.

Mr. Geoffrey Holmes, vice-president of the council, which represents 54 local councils round Heathrow, said that noise problems at the airport would be solved if the scheduled airlines which were members of the International Air Transport Association replaced their 3,000 or so older, noisy jets.

"The present policy is to allow the airlines to replace their aircraft at their own expense," he said. "The airlines would be required to comply with a faster programme than this. They cannot afford it, and so they must be given Government grants."

American environmental pressures would force a faster replacement rate on many airlines anyway, and the smaller companies are not helped they will surely go bust."

Mr. Holmes rejected a claim that Concorde's noise was much less of a nuisance than originally. Capt. Brian Walpole, flight superintendent (technical) of British Airways Concorde fleet, had told the annual conference of the Guild of Air Traffic Control Officers that Concorde in noise terms "is no longer the ogre some people are trying to make it."

Improvements made Concorde "as quiet as any other aeroplane in noise terms."

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SATURDAY, OCTOBER 30, 1976

It's a mad, mad world

IS DIFFICULT to remember a week in which the financial markets behaved quite as badly as they have in the week ending. It began with a report in a Sunday newspaper that the International Monetary Fund would want to see the pound devalued to \$1.50 as one condition of the loan we are seeking. Though the report was promptly denied, the underlying weakness of sterling was demonstrated on Monday with all which at one point was as low as 7½ cents and took the pound about half way down towards the figure suggested. The same Minister happened to be appearing on television that morning, and in the course of a prolonged grilling said that IMF should not force us to massive deflation, that countries with large reserves could help us deal with the problem of sterling balances, and that the share of public funding in the gross domestic product should be reduced over the next three years.

In fact, the Treasury had already "reduced" this proportion quite sizeably by redefining public spending: figures of its sort in themselves mean very little. On Tuesday, thought, the other markets were steadier, the Price Commission came out with a dispiriting report about the prospect of reducing inflation and other newspaper—an American one this time—came up with the suggestion that Minimum Lending Rate might be set to 18 per cent.

Labour split

On the same day, the latest employment figures showed a marked fall in the underlying rate for the first time in many months, but the Employment Secretary did little to lighten the prevailing gloom by suggesting that, if we could maintain pace, "Britain is on its feet." By the middle of the week, in any case, the political gains inside the Labour Party began to become evident, with the National Executive Committee deciding to support a campaign by the public sector unions against ending cuts and the Treasury vowing to deny rumours that the Chancellor had resigned. The day slipped further to its worst level ever, with gilt-edged and equities continuing to follow it down.

On Thursday, the so-called manifesto Group of moderate

Labour MPs pledged their loyalty to the Government and proposed a series of measures, including a further cut in the public borrowing requirement and the introduction of import duties. This may have helped a little towards a rally in equities, but it did nothing to help sterling or gilt-edged, both still depressed by fears of a further rise in Minimum Lending Rate on Friday. The relief, when it came at the end of the week, was as unexpected and absurd as the newspaper reports which had started off the trouble: the BBC (and Business Week) reported that we were busy negotiating an arrangement of some kind to deal with the sterling balances.

Yesterday, therefore, the sterling exchange rate rose sharply and there were strong rallies in both gilt-edged and equity markets—helped by the fact that M.L.R. in the event remained fixed at 15 per cent. Prices are not back to where they were at the end of last week, but we have had a dramatic illustration of the fact that a floating exchange rate, like a feather in the wind, can be blown up as well as down.

Yet this crazy situation cannot be allowed to continue. Dealing with the sterling balances is a problem that probably cannot be seriously tackled until after the Fund loan and the introduction of a new U.S. Administration. The Fund loan itself will take several weeks to complete, and the risk of several weeks like that which has just finished is too much to contemplate. The Government should take action, without waiting for it to seem that it has been forced on it by the Fund.

First, it should announce that the monetary target for next year will be lower than the target for this. Second, it should announce further cuts in public expenditure for the next financial year—not of the £5bn. it finds easy to knock down as an Aunt Sally but of as close as it can get to £2bn. Third, it should raise some indirect taxes, but only for the sake of relieving direct taxation at the top and bottom of the income scales. It would then have a chance of considering external and internal medium-term economic strategy in a less frenzied atmosphere.

A. S. Bythway,
71, Highsett, Hills Road,
Cambridge.

Balances

From Mr. C. Goodall
Sir—Richard Golding (October 27) seems to regard both the public and private sector financial balances as being determined by purely domestic factors. Therefore he implies that changes in the exchange rate will have no effect on financial transactions whatsoever.

THE PRESIDENTIAL election contest between Mr. Gerald Ford, a Republican, and Mr. Jimmy Carter, a Democrat, has been essentially a private affair. Non-Americans have looked at it with a certain contempt, trying not to think of the bankruptcy of much of their own politics and wondering, from the standpoint of a doubtful superiority, how it is that the most powerful country on earth could be deciding between two men who, four years ago, would have appeared on nobody's list of the 100 men most likely to inhabit the White House.

Even inside America it is fashionable to say that this has been an uninspiring contest. But Americans, too, have short memories, for there was precious little that was elevating about the race in 1972, or in 1968, or in 1964 or even in FDR's successive landfalls. This election has come at a time when the U.S. needs a little breathing space from the traumas of the last decade. Equally, it is one which is a testimony to the national capacity for change: both candidates are evidence of this—Mr. Ford, thrust into the highest office by extraordinary constitutional circumstances demanding change, and Mr. Carter, a man from outside the establishment and from a part of the country which has changed radically in the last generation, but which had been excluded from the highest councils of the land.

Conservative mood

One year ago, few people would have been willing to bet a dime that Mr. Ford could lose, so divided was the Democratic Party. Two months ago, hardly a soul would have wagered a nickel on his chances, so seriously confident was the Carter cause. To-day the election is a toss up. The reasons are countless because it has been a campaign with countless secondary, and no over-riding, issues. But one ultimately seems to stand out. If Mr. Carter loses on Tuesday it will be because he was unable to avoid making Jimmy Carter the real issue in the race. He said some time ago "I'm not running against anybody. I'm running for President." So the error will consciously have been his. It will not have been a tactical triumph for Mr. Ford, for the President's campaign has, in truth, left much to be desired and has been notoriously error prone. But if the country, in its quieter, more conservative mood these days, decides it prefers, without much enthusiasm, the devil it knows to taking a gamble on the unknown, it will be because Mr. Carter never resolved the national doubts about him. That said, it must be pointed

out for the 48th time since the foundation of the country, that the presidential election is not a simple beauty contest, on this occasion between a former football player and a man with a splendid set of teeth. It will depend on the workings of the election system, in the form of the electoral college, and beneath that on the myriad of conflicting political forces that underpin that system. Any one of these could tip the balance. The weight of their evidence suggests that Mr. Carter ought still to win this contest.

Popular vote

Exactly 100 years ago, Rutherford B. Hayes became President of the U.S. even though his opponent, Samuel J. Tilden, got 280,000 more popular votes, a wide margin in those days. Twelve years later, in an election less tainted by foul play, Benjamin Harrison beat President Grover Cleveland, even though he won 90,000 fewer votes. These remain the sole instances of fallibility of the presidential election system, which is decided not by the popular vote, but by the apparatus of the electoral college.

The system is simple: whoever carries an individual state, irrespective of the margin, takes all its votes in the electoral college, which are allocated according to population. They range from 45 for California to three apiece for the smallest states. There are 538 votes in all, so whoever gets 270 wins.

Since this is a two-horse race there is no question of the electoral college being called upon to perform its residual function of determining the outcome when no candidate has an overall majority. That was thought quite possible in 1968, for example, when the third party candidacy of Mr. George Wallace was considered so strong and the margin between Mr. Richard Nixon and Mr. Hubert Humphrey so small, in the event it did not happen, though the electoral college figures—301 votes to Nixon, 191 to Humphrey and 45 to Wallace—did not accurately reflect the fact that Mr. Nixon beat Vice-President Humphrey by less than 1 per cent of the popular vote. In 1960, Mr. John Kennedy's margin in the electoral college bore little resemblance to his razor-thin majority of the popular vote. The same could happen in 1976. The ten largest states in the union account for 259 votes, which explains why both Mr. Ford and Mr. Carter have made them their final battleground. Both men have bases (mostly outside the big ten) on which they need to build. Mr. Carter's is the southern and border

A long night ahead for Carter and Ford

By JUREK MARTIN, U.S. Editor, in Washington

region, 15 states in all worth 155 votes (or excluding Texas and Florida, both among the big ten, 13 with 113). Mr. Ford's is the farming Midwest and mountain territory (stopping at and not crossing the Rockies), amounting to ten states with 49 votes. The edge here clearly is Mr. Carter's especially when solidly Democratic states outside his heartland (like Massachusetts, Senator Walter Mondale's home state of Minnesota, and Washington, the capital) are added to it.

But if Mr. Ford can make inroads into his opponent's southern fortress (which, after all, no regular Democrat has taken since 1960), then the picture could prove different. The Ford camp does claim—though without much supporting evidence—that Virginia, Louisiana, both the Carolinas, and perhaps Mississippi will go Republican. In that case, Mr. Carter would need at least to split the big ten with Mr. Ford rather than rely on his base, his certainties, and, say, the states of New York, Ohio and Pennsylvania.

In 1968, for example, Mr. Humphrey divided the big ten equally with Mr. Nixon, but could not counter Mr. Nixon's strength in the farm belt and the mountains and compensate the loss of the South to Mr. Wallace (which, without Mr. Wallace, would probably have gone Republican anyway). In 1960, the Nixon strength was the same, but he found he could not survive the loss of seven of

the big ten states plus the South to Mr. Kennedy.

Mr. Ford's base is, of course, smaller and by no means invulnerable. But if he were to retain his base, pick up some southern, border, and New England states, and, crucially, win seven of the big ten, he could be home and dry.

But these are not the only equations to be considered. There is, for example, the question of turn-out. Democrats are faster than Republicans, partly nullifying their numerical superiority, and it has to be accepted that Mr. Carter has not galvanised his party. In 1972, only 55 per cent of the eligible voters went to the polls. The rule of thumb this year is that for every percentage point below 55, Mr. Ford's chances increase and vice versa.

A factor working in Mr. Carter's favour this year is what appears to be a re-emergence of traditional political alliances: organised labour is back in the Democratic fold and flexing its political muscle. Many experienced observers have been enormously impressed by the efforts that are being made to identify and register potential Democratic voters. The effort may be particularly significant among minorities, for example, the blacks of Cleveland, Ohio, and the Chicano farmworkers in California, who, if they answer the behest of Mr. Cesar Chavez, the farmworkers' leader, could mean Mr. Carter's truly dramatic campaign in the state. If, as some fear, the minorities do

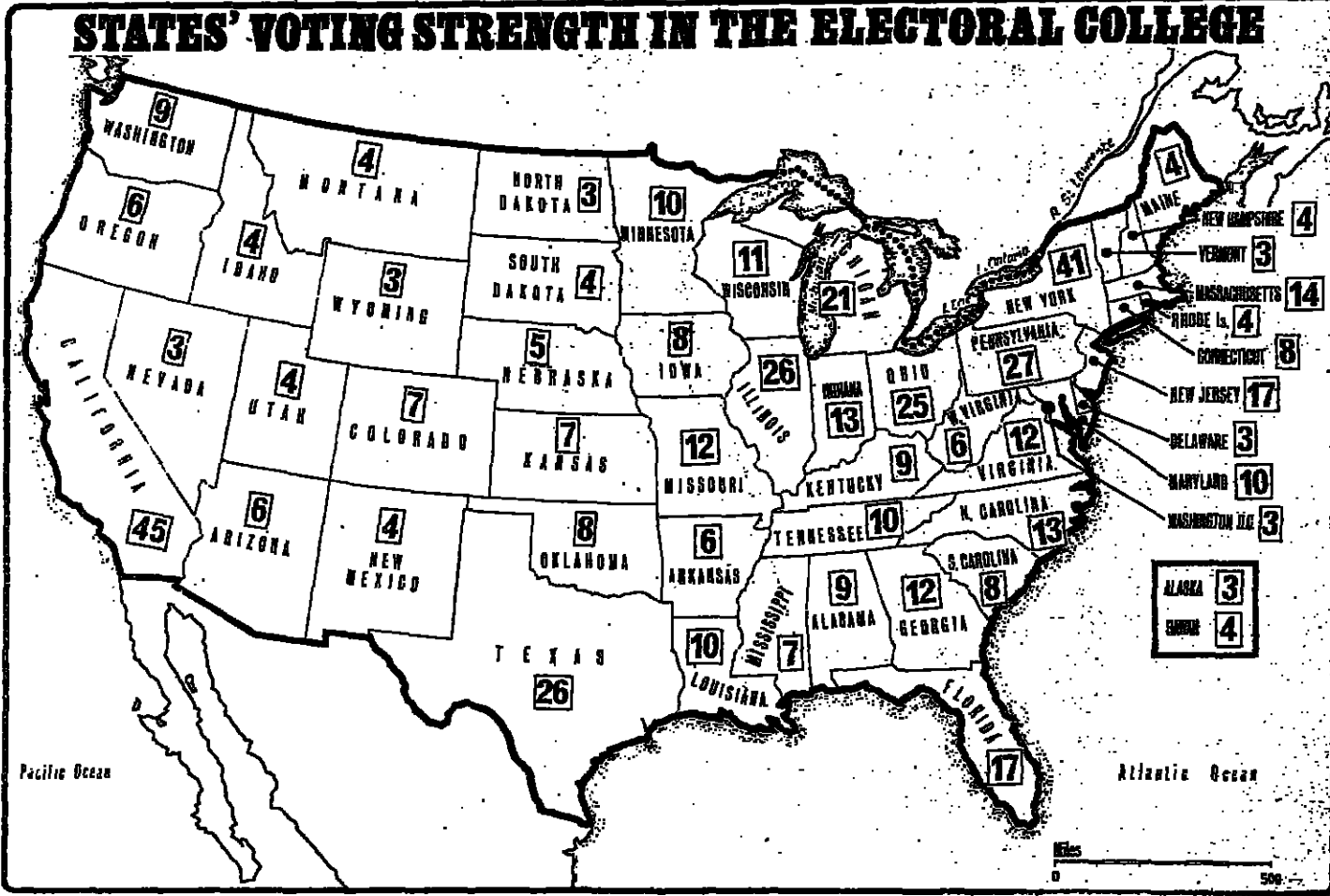
not vote, then Mr. Carter, whose lead among them is immense, will be severely hurt.

On the other hand, many people who are initially attracted to Mr. Carter because he was the quintessential political outsider, beholden to no vested interests, have been put off by the closeness of his recent relations with the labour unions. If Mr. Ford carries some southern states it will be because the Republicans will have linked Mr. Carter's name with that of Mr. George Meany, the trade union leader.

New Deal coalition

Many Republican strategists argue that the traditional alliances no longer win national elections, for the very simple reason that there are many more independent voters. The pollster, Mr. Louis Harris, has calculated that the old Roosevelt New Deal coalition of the poor, the working class, the South and the liberal intellectuals now comprises little more than 40 per cent of the voting population, as against the two-thirds, when FDR made it work for him. The independents—the unpoor, unblack and unleft, and the college educated—prefer, according to some polls, Mr. Ford by an appreciable margin.

Amidst all this regional, demographic and ideological uncertainty, there is a deep fog about what will be the impact of Wednesday morning.



Letters to the Editor

Engineers and experience

From Mr. A. Bythway
Sir—Although the recent correspondence on the problem of practising better qualified people to production engineering has ranged over a wide selection of proposed causes and/or solutions, believe all these have been used on what may well be a serious fallacy. It is generally assumed that if British industry is to achieve significantly higher production it is essential that production directors or works managers must be more highly qualified as engineers. My own experience over the years has shown that a solution to the general problem of getting people to do a better day's work, in short generally to earn whatever they are paid, seldom if ever calls for greater engineering talent on the part of management: at whatever level. This experience was confirmed to quite small enterprises in which I think it will be generally agreed that it is easier to establish and maintain a high degree of confidence between management and the shop floor: yet whenever it was a question of introducing some more advanced equipment, or method of working, the two real problems lay in convincing the operatives that this would not inevitably result in a permanent loss of jobs and that whatever financial advantage resulted could be fairly shared between them and the company. The difficulties I had to exercise to give these successfully were uneasy and a high degree of sympathy, and I would respectfully suggest that the larger the enterprise the more this will always be the case.

But also the larger the enterprise, the easier it is to afford to employ highly qualified specialist engineers who may well be required to devise the more advanced equipment, or assist to management but not as managers. Indeed, since in the short term, any improvement in equipment or method of working must by definition be aimed at reducing the labour content of the manufacturing process, the

point-of-view of gaining acceptance for the innovations which they themselves have been responsible for devising.

If it is considered that, now that virtually any manufacturing process must involve a high degree of engineering talent either in the design of the product itself or of the equipment by which it is produced, it is essential or even preferable that the production managers should be engineers then I believe that their training as engineers must be widened to put more emphasis on the development of those non-engineering skills which I consider any manager should have: even in those engineering courses which include as a subject production engineering because the latter is likely to be mainly concerned with engineering techniques.

In my own case, more by luck than by deliberate intention, I was fortunate enough to be appointed foreman of a small assembly shop during the course of my post-graduate "student apprenticeship" and it was during this comparatively short period that I learned the essentials of any manager-worker relationship and how important it was that I should concentrate on developing these as I subsequently progressed up the management ladder.

A. S. Bythway,
71, Highsett, Hills Road,
Cambridge.

Politics

From Mr. J. Imman
Sir—It is fascinating and yet frightening to observe how people of high intelligence and wide experience often fail to see the wood for the trees. I suppose that they are too caught up in the day-to-day competitive race to be able to get down or back to fundamentals. The basis for any recovery can be summed up in one word, "confidence." This means, however, confidence not of the few but of the many, confidence not of any minority section of the community but confidence in the main body of confidence at home and abroad. Confidence is not narrow or always highly articulate, it is an atmosphere created when a clear majority feel and recognise, in their varying ways and capabilities, that they are on a credible path towards the goal of recovery. It is not that any sacrifices called for do not bear a partisan label or image.

How our successive minority, divisive, class-war-perpetuating, confrontation-prone, out-of-date and failed single party Governments can create a climate of confidence in our present crisis, I doubt the imagination. If an election was held in the near future, it appears that the Conservatives would be likely to win, maybe handsomely. But could they get 50 per cent plus of the votes? Would vast numbers of previous Labour and Liberal voters switch wholeheartedly and gladly, or merely in reaction to the crisis and with the old feeling of opting for the lesser of two evils? Would they be confident in their hearts? One senses no, and confidence is not created by uneasy protest votes. There would still remain large numbers of traditional non-Left-wing Labour voters whose time-honoured attitude of "Tories called for do not bear a partisan label or image."

the falling pound as having no effect whatsoever on the domestic financial balances.

Magdalene College, Cambridge.

Censorship

From Mr. B. Davis
Sir—I read with interest Mr. Dunkley's article on censorship (October 27). I share with him his revulsion for the violence and murder, the death and destruction which dominates our television viewing. Like him I am mystified as to why that type of programme is regarded as acceptable while sex and love treated seriously or jovially (and why not?) are banned. There are some unbelievably twisted minds at work behind the scenes somewhere.

B. Davis,
Pen Cottage,
Box, Near Stroud,
Gloucestershire.

Floating

From Mr. F. Stark
Sir—It is very interesting to trace the movement of the £ against the dollar under Labour and Conservative Governments since the end of the last war—

Labour:
1948-51 devalued from \$4.20 to \$2.80.
1964-70 devalued from \$2.80 to \$2.40.
1974-76 floated down \$2.30 to \$1.60.
Conservative:
1951-64 no devaluation.
1970-74 floated down \$2.40 to \$2.30.

questions. "Would it receive popular support?" and "Do the people believe it would work?"

When all the squabbling words have been said, recovery depends on what people actually, rather than "ought to," feel and believe all do. A national government, with all its inherent snares, would have a chance of obtaining a national response that the present parties have failed to obtain. Who knows, it could be the centre and the isolation of the extremists, where one feels the longer-term political future of the country should lie after recovery, not in a return to the present destructive and futile status quo.

J. C. L. Imman,
Denham Village Farm,
Barnes, Bury St. Edmunds,
Suffolk.

Management

From Mr. J. P. Ganley
Sir—When the director-general of the CBI talks of managers being prevented from running their companies efficiently by a cabal of trade union leaders he should, at the same time, examine the management role in complementary terms in that context.

Major industries, in general, operate on foundations designed and planned between industrial relations departments and unions and this co-operation often results in dispiriting both line managers and their subordinates (union members) and can militate against the paramount interests of shareholders.

Instances arise where industrial relations departments have not even consulted with the managers who will be responsible for implementing the decisions and, in turn, the union membership find they have not been consulted by their unions either. It means that a small section of management plus trade union officials can disrupt the whole.

The irony of it is that in certain situations managerial dissatisfaction remains prudently silent yet, paradoxically, hopes disgruntled subordinates will achieve beneficial settlements that managers, by spin-off, will eventually enjoy.

J. P. Ganley,
7, Broomhall Road,
Higher Blackley, Manchester.

Shareholding

From Mr. A. Conner
Sir—The point made by C. R. Atkins (October 23) on the question of shareholders receiving their dividend warrants on non-banking days, is only one of numerous reasons in favour of a shareholders' association in Britain, as already exists in some other countries. This is particularly so for small investors

ment the £ has lost a total of \$2.50. In 17 years of Conservative Government it lost a total of \$0.10.

Who was it invented the phrase about "wasted years?"

F. Stark,
"Highlands", 176 Southend Road,
Wickford, Essex.

Unmistakable

Golden Ellipse and 18 ct. blue coloured gold. They invariably identify Patek Philippe designs. They tell you that the watch was finished entirely by hand, in the manner practiced by Patek Philippe since 1839. The Golden Ellipse was derived by Patek Philippe from the Golden Section, the principle which already inspired the design of the Parthenon. The blue coloured gold of the dial is a bit of alchemy signed Patek Philippe.

By contrast I hold an overseas share which from the very beginning has found it practical to pay quarterly, the final just 10 weeks after the end of its year. Another company has just announced its final only three weeks after its year end. Can it be that some Boards are so impressed by "clever" admin. tricks (interest at the expense of the real owners, the shareholders) that they think that is what business is really all about?

Alex Conner,
3, Kirkcubbin Crescent,
Englewood Road,
Newton Mearns, Glasgow.

Borrowing

From Mr. S. Krendel
Sir—The Fifth Book of Moses contains a passage which is peculiarly relevant to our economic plight. It reads as follows: "Thou shalt lend unto many nations, but thou shalt not borrow, and thou shalt reign over many nations, but they shall not reign over thee." Deut. Ch. 15 v. 6.
Silas Krendel,
37, Abbey Lodge,
Park Road.



Unmistakable

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Catalogue and list of jewellers from Patek Philippe. Catalogue and list of jewellers from Patek Philippe. Catalogue and list of jewellers from Patek Philippe.

Gilt-edged: a system under strain

BY BARRY RILEY

A LITTLE more than a year ago, the gilt-edged securities market was in the forefront of the economic scene. The headline of the Government borrowing drive was the creation of an enormous new requirement for long-term institutional investors to buy gilts in order to prevent Government deficit from exploding in the supply.

In 1975, the authorities sold more than the combined net of the previous eight years. This year and in 1977, the Government's strategy of the deficit can be financed by acceptable terms, and in a notably orderly manner.

It is subjects the gilt-edged market, and the big investment institutions which dominate it, are staying out of the market several months—as they did in July and September—year—the effect on the supply can be serious. The first half of the year, when the take-up was at a reasonable level, was followed by a sharp decline in the first and second quarters—growth of the aggregate was held moderate rate. On the M3 measurement, the supply during this six-month period rose at an annual rate of 11 per cent, within the target set for the financial year.

Her factors—such as the overseas financing—has influenced this result. But the effect of the summer stalemate in the gilt-edged market is evident from subsequent months. In the three months to September, the growth of

M3 accelerated to an alarming annual rate of 27 per cent, precipitating the drastic monetary measures which have sent the Bank of England's Minimum Lending Rate to 15 per cent.

Mr. Denis Healey was reported to have told the Parliamentary Labour Party on October 13 that the leap in interest rates had been necessary because of the refusal of institutions to buy gilts at existing interest rates.

Abrupt change

They did, indeed, hold off while the yields available on long-dated stocks rose from about 14 per cent in July to over 15 per cent in September. Then they rushed in to the new long-dated gilt Treasury 14½ per cent, 1994, which was announced shortly after the rise in MLR to 13 per cent on September 10. Over £900m. was subscribed on September 24 for a nominal £600m. of stock.

This abrupt change in the gilt-edged market was peculiar enough. But the bizarre events which followed show just why the market is, to most outsiders, a closed book.

For the 14½ per cent stock which had been such a magnet for the institutions only sold at a premium in the market for one trading day. It was then overtaken by the events in the foreign exchange market which led, along with the Treasury's concern over the September money supply figures, to the further increase in MLR to 15 per cent on October 7. The following day a new issue of £800m. Treasury 15½ per cent, 1998, was announced, to yield almost 16½ per cent.

By then subscribers to the 14½ per cent loan two weeks earlier were showing a paper loss of some 5½ points net of accrued interest—a total loss of

£31.5m. spread around the institutions. Together with the deterioration in general confidence, this explains why the offer of 15½ per cent stock was pulled in only about £100m., although it was mathematically even more attractive than the previous loan had been.

Important questions are raised by the twists and turns of recent events in the gilt-edged market. One concerns the responsibility of the institutions

ties, buying mostly short-dated stocks at times of surplus liquidity. Their net purchases in the first half of this year were only tiny.

The predominant investors are the insurance companies and the pension funds, though the personal sector (which appears as a residual in the statistics) plays a significant role at times. The two groups of long-term savings institutions invested a net £2.53bn. in

than money, terms. They have leaned more heavily on equities and property. Even so, 37 per cent of their revenue went into gilts last year, a ratio maintained in the first quarter of 1976, but falling to 22 per cent in April-June.

Institutional cash flows have been rising quite fast, and it is possible that pension and insurance funds will have a combined £6bn. available for investment in 1976 against £5bn. last year.

The authorities are obviously calculating that they will be able to absorb—at the right interest rates—substantially more gilts than last year.

The kind of targets they may have in mind for these institutions could be £3bn. for this year and £4bn. for 1977 (when the IMF will require tighter curbs on domestic credit expansion). In theory such targets can be achieved, but only at the cost of crowding out other areas for investment—such as the equity market.

There is also a serious tactical problem over timing. Funds tend to buy gilts in intensive bursts of activity interspersed

with inactive periods. More over, they have opted in recent years to increase their liquidity levels rather than commit incoming revenue immediately to the long-term capital markets.

Expressed as a proportion of the annual inflow of cash, year-end liquidity of insurance and pension funds rose from 26 per cent in 1971 to an exceptional 98 per cent in 1974. Last year the ratio fell back to 59 per cent, still reflecting short-term assets of almost £3bn.

At the moment there is almost no yield penalty involved in staying liquid. Fund managers know the Bank of England is desperate to sell gilts. They have also had their fingers severely burned on rushing into the previous long gilt issue. So there is an obvious temptation to continue playing a waiting game, while the Bank reluctantly allows long-term rates to go higher and higher.

It is against this background that a certain amount of nervous discussion is taking place about the possibility of direction of investment. At present the long-term institutions are almost unrestricted in their investment policies, apart from some fairly minor constraints imposed by solvency requirements on insurance companies.

It is scarcely likely that the institutions will be forced to observe higher Government debt ratios than they have been showing recently. Yet there could be a danger that they will come under some pressure to invest incoming cash more quickly and regularly—and perhaps, therefore, at lower interest rates, for their tactical strength in the market against the authorities would be reduced.

Fund managers themselves hold many differing opinions. The hard line view is that the institutions are there to safe-

guard the interests of their policyholders or future pensioners and do not have the right to threaten these interests by accommodating courses of action which passing Government might allege to be in the national interest. Others take a more flexible line, recognising that the investment institutions form part of the community and cannot entirely shut themselves off from wider responsibilities.

In fact, of course, no investment institution has any reason at all to undermine Government policies where these promise to be effective. All big investors have a vital interest in the stability of the currency—not least the general insurance companies which need to retain the confidence of foreigners. But they see no sense in throwing away policyholders' funds in support of measures which are unlikely to succeed.

Understandably, investors can feel they are being taken for a ride. A common theme which emerges from discussions with fund managers is the need for more open communication with the Bank of England. If the Bank's primary task is to tap the resources of the large financial institutions, then the archaic system of nods and winks from the Government Broker can hardly be the most efficient way of achieving it.

New types of gilt-edged securities, and new methods of selling them, could play a part in coping with the current ambitious funding targets. That the Bank is considering such moves was acknowledged by the Governor Mr. Gordon Richardson, at the Mansion House banquet last week.

But the Bank may need to develop a closer relationship with long-term savings institutions in the same way that it has in the past with, say, the discount houses, or even the gilt-edged jobbers. And it may have to recognise the fears of fund managers that the demands implied in the Government's borrowing requirement may simply be too great.

The Government Broker communicates his intentions to

the market by an obscure code. For long periods his prices for tap stocks may be out of line with market levels. When he is an active seller, he may either lead the market up by supplying stock in small amounts at wide price intervals of a quarter-point or so, or he may sit on the market by selling large amounts at a fixed price. By tradition the Government Broker does not unload stock on to a weak market. Yet this does not inhibit the Bank of England from raising Minimum Lending Rate or taking other measures to depress prices. Often such moves come with indecent haste after periods of substantial gilt-edged sales (as on October 7).

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COMPANY NEWS + COMMENT

Hepworth down £0.61m.—dividend held

TURNOVER OF multiple tailors J. Hepworth and Son dropped from £30.43m. to £28.55m. for the year to August 31, 1976 and pre-tax profit was down from £3.41m. to £2.5m.

Despite the prolonged sub-tropical summer, the promise made at the halfway stage—when profits were down from £3.41m. to £2.5m.—of a more favourable second half, has been fulfilled, states Mr. R. E. Chadwick, chairman.

In the current year to date turnover shows an increase of around 17 per cent. Pilot schemes are in hand to widen the range of articles sold without weakening the specialist position in relation to men's suits. The search is continuing for new premises in those towns where it is considered the company could trade profitably.

Excluding extraordinary items, earnings per 10p share are down from 3.85p to 2.77p—a final dividend of 1.35p net keeps the total at 2.08p.

The company has started revaluing properties to provide a base for whatever practices will result from the Sandilands Committee—the last valuations was in 1969.

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HIGHLIGHTS

On a 6 per cent. fall in turnover, Hepworth's preliminary profits have fallen by 18 per cent. But there has been a better sales start in the current year. Lex also writes about the National Enterprise Board's support for Reed and Smith which is installing a new paper mill. NEB will take just under 30 per cent of the equity. Elsewhere, Graig Shipping has incurred a trading loss of £478,000 mainly due to a loss on sugar trading. High interest charges have wiped out the trading profits at Allebone which is relying on a buoyant final quarter to maintain the dividend. John Menzies produced nearly halved interim figures but could equal last year's full year profits level. Amalgamated Metal's recovery trend gained pace in the third quarter and nine months' profits were up by 17 per cent.

Allebone loss at halfway

ON A TURNOVER up slightly from £4.24m. to £4.38m., shoe manufacturers and retailers, Allebone and Sons, incurred a loss of £38,000 for the half-year, against a profit of £133,000 for the half-year to July 31, 1976.

As before the interim dividend is 0.35p net per 10p share but it is hoped that improvement in trading does not materialise, it may not be possible to maintain the final at 0.98p, says the chairman.

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were arranging an early meeting with the lenders, a group of U.K. and Continental bankers, to discuss the position.

Until last year the company was an authorised investment trust. It is managed by Hambros Bank and Hill Samuel, while its property assets are managed by Hambros Property Company.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Over bids and mergers

The struggle for control of the pneumatic and electric power manufacturer Desoutter Bros. remains deadlocked despite an offer by CompAir to break the impasse. It has given the shareholders two weeks to persuade their Board to accept an improved offer. CompAir has raised its original offer, which is 53 per cent. controlled by the directors' families, by roughly 30 per cent. of £7.7m. Shareholders were offered seven CompAir shares for every two Desoutter shares worth 165p each with CompAir at 46p, with a cash alternative of 170p which will be available up to a maximum of £1.7m. Although CompAir argues that a merged group will be able to face intense international competition in the lighter pneumatic tools industry, the Board of Desoutter are prepared to recommend a merger of the two companies, active of terms offered. Morgan Grenfell, CompAir's advisers, have sent out a letter in respect of the offer to shareholders inviting them to comment on whether they consider that the Board should reconsider its refusal to support the merger.

Century Oils, the largest independent company in the industrial lubricants field, has dismissed at £4.23m. bid from British Petroleum as "totally unacceptable." Century Oils condemns the attempt to acquire a significant share in the market in industrial lubricants, where it is weak, on the grounds that it could only be seen as conflicting with the interests of its shareholders and other independent companies.

The Board of C. and W. Walker, metal fabricators, has received a £540,000 offer from Berrybest, a subsidiary of Bespoke, which has held a 29.85 per cent. in the company since 1974. Shareholders are being offered a redemption of their stock in Berrybest with a face value of 120p bearing a 16 per cent. a year redemption of 40 years or before the company's option or a cash alternative of 90p.

Battle seems to be on the cards for control of Wheelock International. The recently announced approach made by Hang Land in conjunction with Jardine Matheson, an independent and Loxley, the loss-making building and contracting firm, has received an approach from an undisclosed party which might lead to an offer being made. A separate offer has been made for the group's building division.

Rupert Murdoch, chairman of News International, needed last week that his company has re-purchased a 33 per cent. non-voting stake in Beaverbrook Newspapers, while Slater Securities is selling its 29.5 per cent. stake in James Finlay & Swire and Sons in a cash deal worth £4.7m.

Company	Value of bid per share	Market price	Price before bid	Value of bid (2m's)	Bidder	Final Acq'd date
Prices in pence unless otherwise indicated.						
Abercorn Gen. Invest.	77p	72	63	0.74d	Castlemere	—
Achabam Tea	77d	71	20	0.6d	James Finlay	5/11
Agar Cross	141d	14	16	0.12d	Newman Inds.	—
Asam Cons.	15	18p	16p	0.2	Hampton Ltd.	—
Borhat Tea	304d	28	20	0.8	James Finlay	5/11
Cash (J. & J.)	160p	160	150	0.3d	James Stroud	—
Century Oils	50p	52	25	4.23p	Brit. Petroleum	—
Chubuwa Tea	203d	187	65	0.3d	James Finlay	5/11
Clyde Paper	47d	4	5	0.14d	J. Bibby	—
Crane Fruehauf	27d	27	17	2.7d	Fruehauf Cpn. of Detroit	—
Crane's Screw	18	17p	16p	0.4	Benjamin Priest	—
Dejoo Tea	200p	95p	95p	0.2d	Stewart Hall	—
Desoutter Bros.	170p	120	93	7.7p	CompAir	—
Desoutter Bros.	200p	90p	90p	0.2d	Stewart Hall	—
Equity Enterprises	3p	18p	18p	0.2d	Messrs J. Daly & D. J. Dawson	—
Farworth (Robt.)	8p	7	7	0.2g	William Reed	—
Hamilton Tank	78	68	72	10.2	APV	—
Harmuth Tea	200p	95p	95p	0.2d	Stewart Hall	—
Isle of Man	—	—	—	—	—	—
Assurance Inv.	62p	62	60	0.6d	Douglas Est.	—
Lampa Secs.	120p	122	101	1.8p	Royce Group	4/11
Lovell Shipping	123p	133	100	0.5d	British Electric Traction	—
Makum (Assam) Tea	90p	87	47	0.15d	McLeod Russel	5/11
Manbre & Garston	200	200	159	47p	Tate & Lyle	—
Mather & Platt	120p	114	87	27p	Wormold Int. B.11	—
Midland Cattle Products	162p	165	105	3p	Thos. Northwick & Sons	—
Morris (Herbert)	120p	110	97	2.5d	Babecock & Wilcox	8/11
Odey Reassan	127p	125	70	5.9p	Peterson	—
Oliver Pelt Control	200p	200	200	0.2d	Thos. Elect.	—
Romford Stadium	67p	65	60	0.7p	Corral Leisure	—
Ronksley Invs.	4p	31	31	0.5p	Copper Neill	—
Ronksley Invs.	5p	51	51	0.6d	Arthur Lee	—
Scottish	53	53	85	30p	Scottish Invest.	—
Southern India Tea	35p	33	28	0.08p	Travancore	1/11
Teacher Distillers	384p	360	240	18.1p	Allied Brews.	—
Walker (C. & W.)	80p	97	133	0.5d	Berry Best	—

All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 28/10/76. h Based on 28/10/76. i At suspension. j Bid.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit	Earnings*	Dividends*
B. Bailey Constr.	June 30	217 (190)	1.8 (1.5)	0.815 (0.741)
Benfield & Loxley	June 30	93L (82)	— (0.0)	Nil (0.75)
Bolton Textile	Apr. 30	30 (39p)	0.2 (1.9)	Nil (1.25p)
BPM Holdings	July 31	1,233 (1,231)	14.7 (15.5)	2.56 (2.56)
Brit. Car Auction	July 31	1,134 (693)	4.3 (4.3)	2.79 (2.15)
British Electronic	July 31	244 (224)	3.1 (2.7)	0.826 (0.781)
British Industrial	June 30	1,053 (374)	4.1 (2.3)	1.395 (1.4)
Central Mfg.	July 31	3,320 (3,284)	9.3 (10.0)	2.385 (2.168)
Countryside Props.	June 30	60 (1,298)	0.4 (0.7)	0.256 (Nil)
Ellis & McIlroy	July 31	214 (202)	5.2 (5.3)	2.420 (2.217)
Ellis & McIlroy	June 30	2,472 (670)	17.4 (4.3)	5.415 (4.926)
Highland Distill.	Aug. 31	2,436 (2,111)	9.1 (7.6)	5.17 (4.7)
Highland Distill.	June 30	320 (249)	1.4 (1.1)	0.975 (0.8)
Howard & Wyndham	June 30	91L (315)	— (4.3)	Nil (Nil)
Walter Lawrence	June 30	1,201 (344)	14.6 (5.5)	4.53 (4.53)
Lighting & Leisure	July 31	911 (724)	6.3 (5.1)	2.0 (2.3)
McKee Bros.	July 31	12,289 (8,555)	13.7 (7.7)	3.502 (3.547)
Peterson Zoehonis	May 31	19,074 (8,228)	44.6 (22.2)	3.08 (2.2)
C. H. Pearce	May 31	601 (338)	22.0 (20.6)	3.034 (2.789)
Radley Fashions	Apr. 19	987 (341)	15.3 (8.4)	1.933 (0.938)
J. Smart	July 31	1,443 (824)	14.5 (8.2)	3.232 (2.836)
United Real Prop.	Apr. 31	1,818 (1,301)	7.0 (5.1)	4.625 (3.35)
Wilshaw Secs.	July 31	80 (15)	4.7 (1.3)	1.0 (Nil)
Wood Hall Trust	June 30	5,632 (6,062)	8.0 (11.4)	4.335 (3.941)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit	Interim dividends*
Abrasive Intd.	June 30	45 (34)	0.56 (0.56)
Algonite Indus.	July 31	1,194 (795)	4.0 (4.0)
Amalgamated Pwr.	June 30	1,129 (350)	1.128 (1.024)
Associated	Sept. 12	1,238 (1,130)	1.2 (1.1)
Ayrshire Metal	June 18	269p (203)	1.0 (0.875)
Bossey & Hawkes	June 30	904 (738)	1.5 (1.283)
Border Breweries	Aug. 31	436 (370)	0.86 (0.794)
Bradford Property	Oct. 5	1,737 (1,742)	3.042 (2.769)
BSC International	June 30	1,914 (1,234)	0.488 (0.325)
Cent. & Sheerwood	June 30	1,458 (1,067)	1.0 (0.894)
Coates Bros.	June 30	3,735 (2,540)	0.694 (0.594)
Crossland	June 30	1,184 (1,184)	1.35 (1.35)
Dorington Inv.	Sept. 30	261 (210)	0.25 (Nil)
Dunlop Holdings	June 30	32,100 (10,800)	1.95 (1.825)
English Property	Apr. 30	2,391 (1,361)	1.25 (1.25)
Ernest Jones	June 30	125L (125L)	Nil (Nil)
Ferro Metal	June 30	191 (168)	1.5 (1.5)
Fidelity Radio	Sept. 30	512 (461)	1.158 (1.033)
Andrew R. Findlay	June 30	221 (206)	0.65 (0.5)
Flinn & Sons	June 30	132 (125)	1.1 (1.0)
Gieves Group	July 31	206 (144)	1.0 (1.0)

Company	Half-year to	Pre-tax profit	Interim dividends*
Green's Economer.	June 30	1,043 (888)	2.12 (1.055)
J. Haggas	Sept. 30	612p (500)	— (1.25)
Harrison & Sons	June 30	10,541 (6,063)	1.487 (1.25)
Harrison & Sons	June 30	10,541 (6,063)	1.487 (1.25)
Hopkings Hldgs.	July 31	2,068 (184)	1.223 (0.75)
Lankro Chemicals	Aug. 31	948 (968)	2.6 (2.4)
S. Lebov	June 30	782 (681)	0.899 (0.655)
Lada & Prov. Petr.	June 30	1,232 (1,302)	2.68 (2.85)
Macdonald Martin	Sept. 30	387 (317)	2.6 (2.6)
Minet Holdings	June 30	5,721 (3,307)	2.31 (2.1)
Newman Indus.	June 30	516 (982)	1.25 (1.2)
Photax (London)	June 30	146 (22)	1.135 (1.03)
Seesey	Sept. 30	18,321 (17,011)	— (—)
Shenbridge Eng.	Sept. 30	3,321 (3,321)	— (—)
Wm. Press	June 30	3,215 (1,616)	0.75 (0.375)
Randalls Group	June 30	224 (214)	1.43 (1.43)
Scott & Robertson	Aug. 27	367 (46)	0.914 (0.914)
John Shannon	June 30	1,171 (1,171)	1.288 (1.288)
Spillers	July 31	5,676 (5,572)	0.813 (0.813)
Teacher (Distills.)	July 31	3,920 (3,920)	Nil (Nil)
Telephone Rentals	June 30	1,367 (3,565)	1.375 (1.25)
Tosco Kenesley	June 30	1,719 (1,719)	Nil (Nil)
U.K. Property	June 30	10 (416L)	Nil (Nil)
Uniflex Holdings	July 31	227 (210)	— (—)
Westminster Prop.	Mar. 31	112L (82)	Nil (—)
Zenith Carburizer	June 30	321 (321)	— (—)

* Figures in parentheses are for corresponding period. Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † For 13 months. ‡ For 12 months. § For 14 months. ¶ For three months. ** For 24 weeks. *** For 53 weeks. **** For 23 weeks. ***** Gross. L.Loss.

Offers for sale, placings and introductions

Tending Hundred Waterworks: Offer for sale by tender £12m. 9 per cent. Redeemable Preference stock 1981 at £94 per £100 stock minimum price.

Rights Issues

Cray Electronics: Seven-for-15 at 11p each.

Scrip Issues

Gomme Holdings: One-for-one. Highland Distilleries: One-for-one. Lighting and Leisure Industries: One-for-four.

EQUITIES

		1976		Stock		Closing		Div.		Yield		P.E.	
Unit	Latent	Revenue	Price	High	Low	Type	Amount	Covered	Times	Value	Ratio	Ratio	Ratio
100	1	1	1	1	1	1	1	1	1	1	1	1	1
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WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Early rise on prime rate cut

BY OUR WALL STREET CORRESPONDENT

THE RECENT upward trend was renewed on Wall Street today when more banks followed the move to a 6 1/2 per cent prime rate from 6 1/4 per cent.

By 1 p.m. the Dow Jones Industrial Average was up 3.99 to 956.82, making a rise of 17.57 on the week, while the NYSE All Common Index, at \$54.46, gained 22 cents on the day and \$1.04 on the week.

Closing prices and market reports were not available for this edition.

Mobil gained \$1 to \$60 1/2, following a raised quarterly dividend. But Texaco eased \$1 to \$57 on lower third quarter profits.

Acta Life and Casualty moved up \$1 1/2 to \$34 1/2 after reporting improved earnings.

McDonnell Douglas gained \$1 1/2 to \$22 on higher quarterly results. The American SE Market Value Index moved ahead 0.16 to 38.45, making a rise of 0.57 on the week.

OTHER MARKETS

Canada again mixed

Canadian Stock Markets remained mixed in very light trading yesterday morning.

The Industrial Share Index rose 0.35 to 178.49. Base Metals 0.14 to 80.14. Western Oils 0.18 to 20.05. And Papers 1.40 to 114.10. But Golds reacted 1.90 to 258.59. Banks lost 0.56 to 228.99 and Utilities eased 0.04 to 142.13.

PARIS—All sectors higher in active trading, with strongest rises in Construction and Food-stuffs.

General Occidentale firm on its higher dividend, and Saffat-Gobelin Post a Wauson rose almost 4 per cent, after "sharply increased" first half net group profit.

BRUSSELS—Mixed after very quiet trading.

Steels eased, Non-Ferrous

Metals mixed. Electricals and Utilities firm, Oils declined, Holdings steady.

U.S. stocks declined modestly. South African Gold Mines up again. French shares rose. German and Dutch stocks lost ground.

AMSTERDAM—Slightly lower in quiet trading.

Insurances steady to firm. Industrials and Trading Stocks mixed. Banks and Transport lower.

State Loans firmed.

Germany—Slightly lower

Foreign investors continuing to unload German shares in favour of Mark Denominated Bonds.

Bonds again strong with Public Regulating Authority. Public Authority Loans firmed up to DM30.00. Mark Foreign Loans also firmed.

COPENHAGEN—Generally slightly higher in moderate dealings.

VIENNA—Fairly steady.

OSLO—Industrial weak, Banks, Insurances and Shipping quiet.

SWITZERLAND—Slightly easier in continued quiet activity.

Deutsche Bank's share changed. Financials narrowly mixed, Industrials moderately lower.

MILAN—Mixed in quieter trading.

Firelli Spa rose 1.18 on its first half report.

HONG KONG—Small losses in sluggish trading

JOHANNESBURG—Gold shares on the up following overseas bullion indications. Financials mixed. Little unchanged. Coppers mixed. Platinums steady to firm. Industrials slightly easier.

TOKYO—Slightly higher in active trading. Volume 200m. (240m.) shares.

Electricals and Motors turned lower on concern over growing criticism of Japanese car and TV exports.

But Foods, Textiles, Pharmaceuticals, Machinery and Cameras were generally higher.

Sugar Refiners rose on Press report major Trading Houses reached an agreement on the adjustment of market shares of Sugar Refineries affiliated with them.

AUSTRALIA—Uranium firmed

Sharply following publication of Fox report, but profit-taking pared gains towards close.

Pancontinental were up \$31.50 to \$310.60. Queensland Mines rose 25 cents to \$32.25. Kathleen 17 cents to \$3.45 and Ocean Resources 6 cents to 36 cents.

Peko-Wallace gained 50 cents to \$35.20.

But Robe River dipped to \$1 on its profit downturn.

Bank of New South Wales rose 15 cents to \$4.80 on its higher dividend and profit.

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	Oct. 28	Oct. 27
Alcoa	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2

STOCK

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Alcoa	28 1/2	28 1/2
Aluminum	28 1/2	28 1/2
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Aluminum	28 1/2	28 1/2

THURSDAY'S ACTIVE STOCKS

Stock	Change
Alcoa	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2
Aluminum	+1/2

NEW YORK—DOW JONES

Index	Oct. 28	Oct. 27
Dow Jones	956.82	952.83
NYSE All Common	54.46	54.24
Industrial	101.78	101.43
Transport	101.78	101.43
Utilities	101.78	101.43
Trading vol.	101.78	101.43

STANDARDS AND POORS

Index	Oct. 28	Oct. 27
Industrial	101.78	101.43
Transport	101.78	101.43
Utilities	101.78	101.43
Trading vol.	101.78	101.43

F.T. CROSSWORD PUZZLE No. 3,222

A prize of £3 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

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INDICES

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Dow Jones	956.82	952.83
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COMPANY NOTICES

Gold Fields

Notice of Annual General Meeting

Annual General Meeting of Consolidated Gold Fields Limited will be held at the Dorchester Hotel, Park Lane, London, W.1, on Monday, 22 November 1976 at 11.30 a.m. for the purpose of the following business:

To receive and consider the audited accounts for the year ended 30 June 1976, together with the report of the Directors and to declare a final dividend of 4.7323p per Ordinary share.

To re-elect the following Directors:

- (a) J. B. Davis
- (b) D. O. Lloyd-Jacob
- (c) J. D. McCall
- (d) B. C. Ryan

To authorise the Directors to fix the remuneration of the Auditors.

Order of the Board

L. Stewardson

Secretary

October 1976

Members holding fully paid Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting must be a member of the company on the date of the meeting. The company's register of members, together with copies of the accounts and reports, will be open for inspection at the registered office of the company during the business hours from the date of the meeting until the day of the meeting at the place of the meeting from 11.15 a.m. until its conclusion.

Consolidated Gold Fields Limited

40 Moorgate, London EC2R 6BQ

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION LIMITED

1/2 Debenture Stock, 1990/92

Notice is hereby given that the 1/2 DEBENTURE STOCK of the CORPORATION is now available for subscription. The subscription period is from 17th to 30th November 1976, both days inclusive.

By Order of the Board,

N. J. McTear, Secretary

Palmerston Place, Edinburgh EH12 5BA, Scotland

10 October 1976

CLUBS

YOUR VENUE FOR PRESTIGE ENTERTAINMENT. Attractive service, charming surroundings, and a superb menu.

At the Dorchester Hotel, Park Lane, London, W.1.

Reservations: 01-235 4141

or 01-235 4142

or 01-235 4143

or 01-235 4144

or 01-235 4145

or 01-235 4146

or 01-235 4147

or 01-235 4148

or 01-235 4149

or 01-235 4150

or 01-235 4151

or 01-235 4152

or 01-235 4153

or 01-235 4154

or 01-235 4155

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or 01-235 4192

or 01-235 4193

or 01-235 4194

or 01-235 4195

or 01-235 4196

or 01-235 4197

or 01-235 4198

APPOINTMENTS

Divisional post in Reed Group

Mr. Eric Doornik has been appointed chairman of S. M. PAPER COMPANY following the acquisition by Reed International of the outstanding 50 per cent of S. M. P. Co. Ltd. Mr. Doornik is a director of Reed Group Paper Division and managing director of Spence-Cowan.

Mr. H. Bart-Smith has resigned from the Board of NORTH-BOROUGH INVESTMENT TRUST, whose shares have recently been suspended.

Mr. B. D. Hedley has joined the Board of INTERNATIONAL PINCHIN JOHNSTON (International Paint) and will become production director from November 1. Mr. B. L. Greening has been appointed commercial director of International Pinchin Johnston.

Mr. Terry Austin has become technical director of MYCALEX INSTRUMENTS in place of Mr. David Lowe, who is leaving to take up an appointment with the Datawest Corporation of Arizona, with which Mycalex have a reciprocal agency agreement.

Mr. A. E. Fell has been appointed an assistant director of C. E. HEATH AND COMPANY (NORTH AMERICA) from November 1.

Mr. Alister Grant will become a partner of DEZORTE AND BEVAN, stockbrokers, on December 1.

Mr. Victor I. Sandelson has joined ROYCE RUDD AND COMPANY, stockbrokers, as an associate member.

Mr. L. C. T. Cottrell has been appointed a director of NATIONAL EMPLOYERS' FEDERATION.

Following recent acquisitions by STELRAD GROUP, a subsidiary of Metal Box, the Board of Stelrad is now as follows: Mr. R. King, chairman; Mr. R. G. A. King, managing director; Mr. J. J. Constans, finance secretary; Mr. D. Gough, sales; Mr. D. Howells, technical director; Mr. A. Krakauer, sales; Mr. S. V. Melnardi, general administration/purchasing; and Mr. W. D. Stewart, production/radiators.

Mr. J. Eric Williams, deputy chairman of Foster Wheeler Ltd, has been elected a vice president of FOSTER WHEELER INTERNATIONAL CORPORATION, a subsidiary of Foster Wheeler Corporation, U.S.

Mr. Michael Leonard has been appointed director of GEORGE BELL (SHIPBROKERS), a newly formed subsidiary of the George Bell Group.

Mr. Colin H. Black has been appointed a director of CABLE TRUST, an Electric House company.

Mr. Brian Kellett, chairman of Tube Investments, has been appointed a vice-president of the ENGINEERING EMPLOYERS' FEDERATION.

Mr. A. G. Jackson is now chairman of DEBEN'S WORLD, and Mr. M. D. Gerrard is managing director.

Mr. John Prest has been appointed technical director of CHLORIDE INDUSTRIAL BATTERIES.

Mr. Roy Weatherly, group supplies manager, TARMAC, has been named a vice-president of the INSTITUTE OF PURCHASING AND SUPPLY.

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OVERSEAS NEWS

Violence spreads in Madrid, Barcelona

BY ROGER MATTHEWS MADRID, Oct. 28

THE VIOLENCE that sometimes seems inherent in three of Spain's most critical issues—labour relations, politics and the role of the police—has revealed itself again in the past 24 hours.

Riot police and public transport workers again clashed violently in Madrid this morning, the second day of the city's bus strike, while the authorities have arrested the main strike committee, sacked 40 men as a warning to the others and called in the military to restore partial service.

Shortly afterwards, the ultra-Right wing Falange held its 43rd annual meeting in an effort to seek unity between its different factions but within an hour the congress had broken up among scenes of punching, kicking, hair pulling and even the drawing of knives. At least three people were taken to hospital.

A statement from the Mayor of Madrid's office said the authorities would not negotiate with the official strike committee, most of whom are now in police custody.

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INTERNATIONAL COMPANY NEWS

Matsushita sees profits surge

BY DOUGLAS RAMSEY TOKYO, Oct. 29

MATSUSHITA Electric Industries Co., makers of national and portable brand products, anticipates that net income for the year ended 31 March 1977 will be ¥900m. (¥130m.) and sales for the year ¥1,650m.

These estimates were released to-day, along with third-quarter figures for the company's consolidated activities which show a healthy rise in profits on 1976.

It proved correct, the 1976 estimate would put Matsushita's profits after tax at almost double 1975 levels (¥320m.) and sales up 20 per cent, a solid performance in spite of the slowdown in Japan's economic recovery since June.

Third-quarter figures have sales up 30 per cent on a year ago to ¥423m., and net income (at ¥170m.) well over double the 1975 performance. From May to August 1976, however, despite the increase on year-ago levels, the third quarter was disappointing since sales actually declined from the ¥438m. posted in the second quarter. As a result, the quarter's profits were up by less than 10% (from ¥163m. in the second quarter).

For the nine months

The Financial Times Saturday October 30 1976

Table with multiple columns listing various financial instruments, companies, and their corresponding prices or values. Includes sections for 'NEW HIGHS AND LOWS FOR 1976' and 'RISES AND FALLS'.

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BUILDING SOCIETY RATES

Table with multiple columns listing building society rates, including deposit rates, share rates, and other financial metrics.

U.K. CONVERTIBLE STOCKS 29/10/76

Table with multiple columns listing U.K. convertible stocks, including company names, stock types, and prices.

LOCAL AUTHORITY BOND TABLE

Table with multiple columns listing local authority bonds, including authority names, bond types, and interest rates.

Option Report—3-month Call rates

Table with multiple columns listing option reports, including call rates, option types, and market data.

Market rally extended but best levels fail to hold

Index reaches 280.0 and fades to 276.6 in late thin trade

F.T.—ACTUARIES SHARE INDICES	
Lucas Industries featured Motors with a gain of 6 to 147p. Press comment on the interim figures directed fresh attention to Dunlop which improved to 63p before closing a net penny up at 61p.	news that a subsidiary has disposed of its shareholding in Midland Motors. In quietly firm Textiles, Courtaulds improved to 81p initially, before easing back to 79p.
	on £113, but Randfontein, at 227, was unchanged after their recent showing. London-based financial rose with the industrial market, but the industrial market, but
	Bank of Cyprus 14 9/16
	Bank of N.S.W. 14 9/16
	Banque du Rhone S.A. 14 9/16
	Barclays Bank 14 9/16
	Bank of Bilbao 14 9/16
	Bank of Cyprus 14 9/16
	Bank of N.S.W. 14 9/16
	Banque du Rhone S.A. 14 9/16
	Barclays Bank 14 9/16

110p. after 114p and Selection Trust ended 5 up at 370p. after 375p.	■ Bank Shipley	14 1/2
Among Irish Canadians, Barryman continued firm at 58p. up 1, and Northgate were 320p for a rise of 3. Anglo United responded to speculative interest with a gain of 11 to 80p.	■ Canada Permanent AFI 14 1/2	
Coppers were quiet. Platinum moved narrowly despite the reductions in the producer price of the metal. Tins were quietly firm.	■ Capitol C & C Fin. Ltd. 14 1/2	
	■ Cayzer, Bowater Co. Ltd. 14 1/2	
	■ Cedar Holdings	12 1/2
	■ Charterhouse Japhet	14 1/2
	■ E. C. Coates	15 1/2
	■ Co-operative Credits	14 1/2
	■ Co-operative Bank	15 1/2
	■ Corinthian Securities	14 1/2
	■ Credit Lyonnais	15 1/2
	■ G. R. Duncan	15 1/2
	■ Dumean Lawrie	15 1/2
	■ Eagle Trust	14 1/2
	■ English Trust	14 1/2
	■ First London Secs.	14 1/2
	■ Antony Gibbs	14 1/2
	■ George Durant Trust	14 1/2
	■ Greyhound Guaranty	14 1/2
	■ Grindlays Bank	14 1/2
	■ Guinness Mahon	14 1/2
	■ Hambros Bank	14 1/2
	■ Hill Samuel	14 1/2
	■ C. Hoare & Co.	14 1/2
	■ Julian S. Hodge	15 1/2
	■ Hongkong & Shanghai	13 1/2
	■ Industrial Bank of Scot. 13 1/2	
	■ Keyser Ullmann	14 1/2
	■ Knowsley & Co. Ltd.	15 1/2
	■ London & Lancashire	14 1/2
	■ London & European	14 1/2
	■ London Mercantile	14 1/2
	■ Midland Bank	14 1/2
	■ Samuel Montagu	14 1/2
	■ Morgan Grenfell	14 1/2
	■ National Westminster	14 1/2
	■ Northern General Trust	14 1/2
	■ Norwich General Trust	14 1/2
	■ P. S. Ransom & Co.	14 1/2
	■ Rössminster Accept'cs	14 1/2
	■ Royal Bk. Canada Trust 13 1/2	
	■ Schlesinger Limited	14 1/2
	■ E. S. Schwab	15 1/2
	■ Security Trust Co. Ltd.	14 1/2
	■ Standard Bank	14 1/2
	■ Standard Chartered	14 1/2
	■ Trade Development Bk.	14 1/2
	■ Twentieth Century Bk.	15 1/2
	■ United Bank of Kuwait	14 1/2
	■ Whiteaway Laidlaw	14 1/2
	■ Williams & Glyn's	14 1/2
	■ Yorkshire Bank	14 1/2
	■ Members of the Accepting House Committee	14 1/2
	■ 2-day deposits 11 1/2, 1-month deposits 11 1/2.	
	■ 3-day deposits on terms of £10,000 and under 11 1/2, on £25,000 11 1/2, and over 22,000 11 1/2.	
	■ Demand deposits 12 1/2.	

FOREIGN EXCHANGES				Call deposits over 57,000 N.111	
Market Rates				CORAL INDEX	
Oct 29	Bank	Days		Cote 273-277	
	Rate	Spent			
New York	1/2	12520	1.11	11560	11870
Montreal	1/2	404	589	12445	1242
Amsterdam	1/2	7	40	12415	12415
Brussels	1/2	30	20	124	124
Copenhagen	1/2	30	47	122	122
Hankow	1/2	17	78	124	124
London	1/2	49	57	120	120
Lyons	1/2	30	20	124	124
Marseilles	1/2	30	20	124	124
Paris	1/2	30	20	124	124
San Francisco	1/2	30	20	124	124
Shanghai	1/2	30	20	124	124
Singapore	1/2	30	20	124	124
Yokohama	1/2	30	20	124	124
Zurich	1/2	30	20	124	124
* Bank discount. 1/2-1/2 ** Bank discount. 1/2-1/2 *** Bank discount. 1/2-1/2					
OTHER MARKETS					
Amsterdam	1/2	12520	1.11	11560	11870
Brussels	1/2	30	20	124	124
Copenhagen	1/2	30	47	122	122
Hankow	1/2	17	78	124	124
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Yokohama	1/2	30	20	124	124
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FUTURE RATES					
One Month					
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Shanghai	1/2	30	20	124	124
Singapore	1/2	30	20	124	124
Yokohama	1/2	30	20	124	124
Zurich	1/2	30	20	124	124
* Bank discount. 1/2-1/2 ** Bank discount. 1/2-1/2 *** Bank discount. 1/2-1/2					

INSURANCE RATES		
Atlantic Assurance	12	%
Cannon Assurance	12	%
Arrest down under Insurance on		
FRODO MARKET		
Oct. 29	Oct. 30	
Gold Bullion		
A five ounce		
Close	12520-12540	12520-12540
Open	12520-12540	12520-12540
Normalizing	12520	12520
Afternoon	12520	12520
Gold Coins		
Domestic		
1/2 ounce	12520-12540	12520-12540
1/4 ounce	12520-12540	12520-12540
1/8 ounce	12520-12540	12520-12540
1/16 ounce	12520-12540	12520-12540
1/32 ounce	12520-12540	12520-12540
1/64 ounce	12520-12540	12520-12540
1/128 ounce	12520-12540	12520-12540
1/256 ounce	12520-12540	12520-12540
1/512 ounce	12520-12540	12520-12540
1/1024 ounce	12520-12540	12520-12540
1/2048 ounce	12520-12540	12520-12540
1/4096 ounce	12520-12540	12520-12540
1/8192 ounce	12520-12540	12520-12540
1/16384 ounce	12520-12540	12520-12540
1/32768 ounce	12520-12540	12520-12540
1/65536 ounce	12520-12540	12520-12540
1/131072 ounce	12520-12540	12520-12540
1/262144 ounce	12520-12540	12520-12540
1/524288 ounce	12520-12540	12520-12540
1/1048576 ounce	12520-12540	12520-12540
1/2097152 ounce	12520-12540	12520-12540
1/4194304 ounce	12520-12540	12520-12540
1/8388608 ounce	12520-12540	12520-12540
1/16777216 ounce	12520-12540	12520-12540
1/33554432 ounce	12520-12540	12520-12540
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1/134217728 ounce	12520-12540	12520-12540
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1/1298074214639332829715743422391168 ounce	12520-12540	12520-12540
1/2596148429278665659431486844782336 ounce	12520-12540	12520-12540
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1/6646139978953384088144606322428416 ounce	12520-12540	12520-12540
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1/26584559915813536352577842489716608 ounce	12520-12540	12520-12540
1/53169119831627072705155684979433216 ounce	12520-12540	12520-12540
1/106338239663254145410311369958866432 ounce	12520-12540	12520-12

AUTHORISED UNIT TRUSTS

Bridge Fund Managers (UK) Ltd. King William St, EC4N 3AF 01-423 4051 Bridge Fund Managers (UK) Ltd. King William St, EC4N 3AF 01-423 4051 Bridge Fund Managers (UK) Ltd. King William St, EC4N 3AF 01-423 4051	GT Unit Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 GT Unit Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 GT Unit Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051	Kleinwort Benson Unit Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 Kleinwort Benson Unit Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 Kleinwort Benson Unit Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051	Mercury Fund Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 Mercury Fund Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 Mercury Fund Managers Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051	Piccadilly Unit Tr. Mgrs. Ltd. (UK) 25 Abchurch Lane, EC4N 3JF 01-423 4051 Piccadilly Unit Tr. Mgrs. Ltd. (UK) 25 Abchurch Lane, EC4N 3JF 01-423 4051 Piccadilly Unit Tr. Mgrs. Ltd. (UK) 25 Abchurch Lane, EC4N 3JF 01-423 4051	Target Unit Tr. Mgrs. (Scotland) Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 Target Unit Tr. Mgrs. (Scotland) Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051 Target Unit Tr. Mgrs. (Scotland) Ltd. 25 Abchurch Lane, EC4N 3JF 01-423 4051
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INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Abbey Life Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Abbey Life Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051	The City of Westminster Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 The City of Westminster Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 The City of Westminster Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051	Hamble Life Assurance Limited 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Hamble Life Assurance Limited 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Hamble Life Assurance Limited 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051	London Life Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 London Life Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 London Life Assurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051	Prop. Equity & Life Ass. Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Prop. Equity & Life Ass. Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Prop. Equity & Life Ass. Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051	Slater Walker Insurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Slater Walker Insurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051 Slater Walker Insurance Co. Ltd. 13, St. Paul's Churchyard, EC4A 3DF 01-423 4051
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OFFSHORE AND OVERSEAS FUNDS

Archimedes Securities (C.I.) Limited P.O. Box 200, St. Helier, Jersey 01-423 4051 Archimedes Securities (C.I.) Limited P.O. Box 200, St. Helier, Jersey 01-423 4051 Archimedes Securities (C.I.) Limited P.O. Box 200, St. Helier, Jersey 01-423 4051	Delta Group P.O. Box 200, St. Helier, Jersey 01-423 4051 Delta Group P.O. Box 200, St. Helier, Jersey 01-423 4051 Delta Group P.O. Box 200, St. Helier, Jersey 01-423 4051	Hamble (Guernsey) Limited P.O. Box 200, St. Helier, Jersey 01-423 4051 Hamble (Guernsey) Limited P.O. Box 200, St. Helier, Jersey 01-423 4051 Hamble (Guernsey) Limited P.O. Box 200, St. Helier, Jersey 01-423 4051	Kleinwort Benson Limited P.O. Box 200, St. Helier, Jersey 01-423 4051 Kleinwort Benson Limited P.O. Box 200, St. Helier, Jersey 01-423 4051 Kleinwort Benson Limited P.O. Box 200, St. Helier, Jersey 01-423 4051	Old Court Commodity Fund Mgrs. Ltd. P.O. Box 200, St. Helier, Jersey 01-423 4051 Old Court Commodity Fund Mgrs. Ltd. P.O. Box 200, St. Helier, Jersey 01-423 4051 Old Court Commodity Fund Mgrs. Ltd. P.O. Box 200, St. Helier, Jersey 01-423 4051	Target Unit Tr. Mgrs. (C.I.) Ltd. P.O. Box 200, St. Helier, Jersey 01-423 4051 Target Unit Tr. Mgrs. (C.I.) Ltd. P.O. Box 200, St. Helier, Jersey 01-423 4051 Target Unit Tr. Mgrs. (C.I.) Ltd. P.O. Box 200, St. Helier, Jersey 01-423 4051
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FT SHARE INFORMATION SERVICE

ENGINEERING—Continued					
Sw	Stock	Price	+ or -	Div Yr	Cv
2	Hall-Thermotank	69	+3	4.284	3.8

ENGINEERING—Continued

[illegible]

Da. A Sp	71 ²	0.7	2
London & Midl'd	32	+1	h3.01

[illegible]

2	R.H.P.	40	+1 ₂	5.44	3.1
	R'esomes Sim. El	80	6.95	3.2

Edmond's Hwy.	72	12.75	4.4
Edmin Huan 10p	17 ¹ / ₂	+1 ¹ / ₂	71.0
Reynold El	100	+1	7.68
Rich as West 50p	34 ¹ / ₂	+1 ¹ / ₂	3.73
Robinson (Thos)	36	---	43.03
Root Barry's 10p	27	---	71.66
Rotark 10p	67	+2	92.11
Sanderson Kayer	40 ¹ / ₂	---	73.58

Rotork 10p	67	+2	92.11	6.7
Sanderson Kayak	40ml	---	73.58	7.6

Berk	34	-2	42.19	1.2
Shakopee 2d Sp.	35	-2	42.79	1.2
Saw Tract 2d Sp.	25	+1	41.19	1.2
Shoepshire	45	-3	73.1	2.4
Simon Eng 6	102	+3	76.32	2.4
000 Group	4892	+112	83.32	2.4
Simon (Whit) Sp.	10	-	76.32	2.4
Spear & Rader	74	+26	87.1	2.4
Clark Ck. 20p.	33	-	71.95	0
Spencer Gears 3p	12	-	71.95	0
Spillar Sares	1174	-4	75.63	2.4
Sponner Leds	21	-	2.15	2.4
Starline 20p	32	-	71.95	0
Sawley Leds 11	31	-	71.95	0
St. Louis 20p	49	-2	62.23	2.4
T.C.M. Group	39	-	5.54	1.4
Tame 10p	7	+1	20.8	1.1
Taylor 2p 10p	45	-	5.68	2.4
Tecumseh	37	+3	2.71	2.4
Tenn 20p	22	-	2.71	2.4
Theresa 20p	760	-	0.74	2.4
Tomkins F.R. 5p	11	-	0.78	2.7
Triplex F 7dies	22	-	3.77	2.4
Tue Invents. Cl.	246	+2	217.05	2.4

Triplex F. dries...	42	3.77	28
Tube Invests. El...	246	+2	+17.05	24

Unit. Bag & Top	28	1.81	1.3
Ud. Spring Op.	32	1.18	1.1
Ud. Wire Group	32	3.7	0.9
Vickers E.	112	+2	17.99
Victor Products	47	+3	2.71
W.G.I.	78		15.2
Wadkin 50p	58		4.82
Wagon Indust.	77		6.19
Walker C&W	98	+1	42.95
Ward (T.W.)	34 ¹ / ₂	+2	3.66

Walker (C. & W.)	98	+1	42.95	9.4
Ward (T. W.)	34 $\frac{1}{2}$	+2	3.66	1.9

Weeks Assoc. Lp	25		1.05	3.8
Wey Group	55	+1	14.3	3.9
Wellman Eng'g	26	+1	1.95	2.8
W. Bro. Sys. Lp.	36		1.00	5.0
Westland	45	+2	12.85	2.5
West's Evans Lp.	34	-2	2.48	3.3
Weyburn Eng'g	278	+15	16.03	11.3
Whensee	34	+5	1.62	
Whitway Wism. Sp	82		0.71	3.8
Whitehouse Lp.	10		0.37	4.1
Williams (WV)	16		0.8	3.4
Wills & J's Sp	7		0.4	5.2
Wolf Elect. Tools	53		h1.54	7.7

Williams 1 W 9	10	0.3	2.4
Williams & Jones Sp.	7	0.4	5.2
Williams & Jones Sp.	53	0.5	7.7

W. Halliday 10p	15	15	1.07	1.1
Wood S.W. 10p	30	30	3.46	3.7
W. Halliday 10p	27	27	92.36	2.8
Young A.M. & Y	40	+2	13.72	1.7

FOOD, GROCERIES, ETC.

Adams Food 10p	22	+1	15.15	3.5
Alford 10p	54	54	13.03	3.1
Ans. Blackett 20p	53	53	12.83	4.0
Ans. Brit. Pds 10p	44	44	1.73	4.6
Ans. Fisheries	164	+4	1.28	12.4
Ans. Group 5p	31	+1	0.16	3.1
Ans. Pds 10p	47	+1	3.3	4
Barber & D. 10p	34	34	4	4
Barr (A.) 10p	330	33	5.26	4.6
Basnett (Geo)	67	+2	4.61	2.6
Bayliss York 10p	32	32	1.51	1.5
Beina 10p	60	+5	2	2
Blissby C.J. 10p	82	82	5.32	6.1
Bryson's Stores	128	128	42.11	4.6

Bibby (J.I.EI)	82	5.32	b3.1
Richon's Stores	128	d2.17	4.6

[illegible]

Adda Int. 10p	912	---	---	---
Borel Int. Fr 100	548	---	101246	4

C.C.R. Invests.....	20	—	—	—
De Vere Hotels.....	77	—	13.82	0.9

1976	Stock	Price	+ or -	Div	Yld	PI
Yield %				Rate	Cost	

INDUSTRIALS

(Miscel.)

[illegible]

هكذا من الأحسن

TRUSTS—Continue

Stock	Price	-	N
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[illegible]

Stock Exchanges throughout the United Kingdom (a fee of £325 per annum for each security)

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MAN OF THE WEEK

Make or break for Rhodesia

BY OUR FOREIGN STAFF

WHEN MR. Ivor Richard was named chairman of the Rhodesia Conference he remarked that the commitment to establish a transitional government in that country on the path to legitimate independence did not mean this must happen "to-morrow morning".

But there must be progress "with all deliberate speed", he said. And he promised: "If at any stage there is need of a wind machine to blow away the fog over any part of this exercise, then I will puff with the best."

Notwithstanding the reservations of Rhodesian black leaders Robert Mugabe and Joshua Nkomo about the naming of Britain's UN Ambassador rather than a Government Minister to preside over the conference, the appointment was warmly welcomed by African States delegates in New York. In the two and a half years Ivor Richard has been in the job, he has made a considerable mark.

Some rate him the best representative Britain has ever sent to the world body.

When he went to the UN in March 1974, in fulfilment of a Labour election pledge to appoint a political representative there, Mr. Richard emphasised that he was a professional politician, not a diplomat. Yet he admitted: "I have loved with the idea of entering the diplomatic service. I decided I wasn't intelligent enough to pass the examination."

He just. Instead he became a successful barrister, and eventually Queen's Counsel. His most famous case was his 1968 defence of Brian Field, one of the great train robbers. "I did very well," Mr. Richard recalls. "He got five years, while the others got 20."

The acrimonious atmosphere of the 1975 UN general assembly was blamed in part on the combative style and anti-third world gibes of the chief American delegate, Mr. Daniel Patrick Moynihan. Without mentioning him by name, Mr. Richard observed to one of his lecture audiences that he did not see a UN Ambassador's role as that of a Wyatt Earp shooting it out in the O.K. Corral.

It was the first time that the persistent rumblings of discontent within the Western alliance over Mr. Moynihan had come into the open. The American delegate, who now is favoured to win a U.S. Senate seat in next Tuesday's elections, suspected collusion between the Foreign Office and enemies in the state department. This was flatly denied. Eventually, Mr. Moynihan resigned, declaring he had not received Washington's full support. He was succeeded by Mr. William Scranton, former Governor of Pennsylvania, whose approach to the UN assignment is much like Mr. Richard's.

Coincidentally, both of them have had a background in mining. Mr. Scranton comes from a family of colliery owners, and Mr. Richard is the son of an inspector of mines. Born in Cardiff, he himself worked briefly in the pits. His grandfather was a Methodist minister well known in the Welsh Methodist circuit, and it is perhaps from him that Mr. Richard inherited the gift of oratory which so impresses his colleagues in the UN, where it is rare for a delegate to be able to speak except from a text drafted in some far-away ministry.

Mr. Richard is an extraordinarily good team with the third world members who dominate the general assembly. Probably, none of them shares Mr. Mugabe and Mr. Nkomo's misgivings about him. In fact, Mr. Richard's relations with his African colleagues are so close that one of them is reported once to have taken him aside and said, "look, next week we must work up a big fight with each other, just so we look all right back home."

But they seem to enjoy America and the UN and now wish to remain there for the duration of the present Labour government. They pulled their son Alun out of school in England, and he now attends a New York private school. Their daughter Katy also is being educated in New York.

Not surprising in a Welshman, Mr. Richard is a music lover and a great opera and concert-goer. His favourite relaxation after a hard day at the UN is to play a piece or two at his own piano.

Heath to strengthen Tory attack in Walsall North

BY RICHARD EVANS, LOBBY EDITOR

MR. EDWARD HEATH is to cement the reconciliation between himself and the party leadership which began at the Tory Party Conference by campaigning on Monday in the Walsall North by-election.

Mr. Heath has campaigned in only one other by-election, and then for personal reasons, since he lost the party leadership to Mrs. Thatcher.

He will speak in support of Mr. Robin Hodgson, who has an outside chance of winning the seat.

Labour Party officials are deeply worried about prospects at Walsall, in spite of Mr. John

Stonehouse's majority of 15,885 at the last General Election.

The presence of Mr. Heath, followed on Tuesday by Mr. Michael Heseltine, who scored a personal triumph at the Brighton conference, is planned to ensure a full Tory turnout on Thursday.

The other by-elections on Thursday are at Worthing and Newcastle Central. Both, in normal circumstances, should be safe Labour seats, but the Tories feel they could get surprisingly close at Worthing.

If Labour wins all three contests its overall majority in

the Commons will be one. But the Government normally has the support of the two Northern Irish independent MPs, Mr. Gerry Fitt and Mr. Frank Maguire.

Mrs. Thatcher faced criticism last night from the Left-wing Tory Reform Group for failing to respond more enthusiastically to the call from Mr. Harold Macmillan for a "Government of National Unity".

Mr. Jimmy Gordon, chairman of the group, said that, as an immediate General Election would be bad for the economy, the pound and British democracy, he had been

saddened that Mrs. Thatcher had been so critical of Mr. Macmillan's proposals.

"The Conservative Party had always laid great claim to being the national party."

"We are proud of our tradition of putting the national interest before party interest, yet when the country is now seeking national leadership we appear to be descending into petty party squabbles."

"At a time of political and economic crisis the nation is seeking political giants, not pygmies. For once, let us see some national leadership again from the Conservative Front Bench," Mr. Gordon said.

Two more U.S. banks cut prime rate to 6½%

BY STEWART FLEMING

NEW YORK, Oct. 29.

THE TREND towards lower bank lending rates in the U.S. continued to-day with the announcement by Citibank, the largest of the New York banks, and Bank of America that they were lowering their prime rates from 6½ to 6¼ per cent.

Yesterday, Continental Illinois, the largest of the Chicago banks, moved its prime rate down by a quarter of a point, but some bankers doubt that others would follow.

Pressure

Citibank generally uses a formula to determine its prime rate based on the average rate on commercial paper over the previous three weeks, to which it adds one and a-half percentage points.

The bank said to-day that the formula dictated the move downwards but some analysts maintained that the bank could have kept the rate unchanged as it has occasionally in the past.

There have been reductions in short-term interest rates in recent weeks and these have put increasing pressure on the banks to lower their prime rates beyond the last reduction from 7 to 6½ per cent, which was started by Morgan Guaranty Trust on September 20.

The average weekly rate of interest on 90-day commercial paper has fallen from 5.25 per cent for the week ending October 6 to 5 per cent for the week ending October 27, according to New York Federal Reserve Board figures.

The trend towards lower prime rates is thought to be a reflection of increasing competitive pressure on the banks, which in recent weeks have reportedly been making concessions on loan agreements to some customers.

This in turn reflects the continued sluggishness of the commercial and industrial loan demand at the nation's biggest banks.

In the 12 months to October

6, outstanding commercial and industrial loans fell by almost 6 per cent, or \$7bn.

Some bank economists argue that this decline must now be slowing, since corporations have run down their cash and short-term borrowings to historically low levels. Their cash flow is no longer increasing as quickly as at the beginning of the year, and capital spending should revive soon with bank loans following suit.

However, a study of about 250 corporations by Smith, Barney, Harris and Upham, Wall Street brokers, has concluded that they are not expecting a sharp increase in their loan demand in the first half of next year.

If these forecasts are accurate and reflect intentions of a wide cross-section of corporations, they will create further doubts about the length of the "pump" in the growth of the U.S. economy.

Ford cars to cost 5.4% more on average

By Kevin Done, Industrial Staff

FORD HAS opened the way for another round of car price increases with an announcement yesterday that all its models are to go up by an average of 5.4 per cent, from Monday.

The first rival manufacturer to follow Ford is likely to be British Leyland, which is expected to announce increases of 5-6 per cent next week.

Ford blames the increases on higher costs of raw materials, components and service charges. For more than a year domestic car manufacturers have been increasing prices regularly every quarter, in line with the minimum interval allowed by the Prices Commission.

Ford's last increase pushed up prices by 4.9 per cent, in July. Some examples of the new prices, with the old price in brackets, are: Escort Popular 1100 two-door, £1,877.50 (£1,599.49); Cortina 1600 GL four-door, £2,402.81 (£2,291.45); Cami 1600 GL, £2,825.46 (£2,466.37); Granada 3000 GL (automatic), £4,433.28 (£4,110.22).

Importers have been increasing the prices of foreign cars rather more frequently than domestic producers, because of the falling rate of sterling.

The exchange rate is also putting Vauxhall and Chrysler under added pressure on prices because of imports of made-up cars like the Vauxhall Cavalier from Belgium, and components for models such as Chrysler's Alpine.

Chrysler will probably be the last to join the present round of increases as its latest price rise was in mid-September.

Motorists are already facing a new round of petrol price increases, which will push pump prices well past the 80p a gallon mark.

Rush for uranium stocks on Australian Exchanges

BY PAUL CHEESERIGHT

SCENES recalling the Australian mining boom at the beginning of the seventies, enlivened the Sydney and Melbourne exchanges yesterday as investors rushed into uranium stocks.

Pancontinental, Peko-Wallend and Western Mining were in demand since they are among the companies standing to gain from the qualified approval of the Fox Commission, on uranium mining.

Fox's endorsement of uranium mining under strict conditions was announced on Thursday, but the verdict on the exploitation of particular deposits is not expected for several months. No Government decisions have been taken, and the attitude of the

trade unions remains uncertain. Nevertheless, the market relief was sufficient to boost the price of Pancontinental by \$A1.60 to \$A10.60, on the hope that it will eventually receive approval for mining at the rich Jabukula deposit in the Northern Territory.

Jeko-Wallend, with a stake in the Ranger deposit, gained 50 cents to \$A5.20, and Western Mining, which is developing the Veestrie uranium field in Western Australia, rose 12 cents to \$A1.72.

This was no Poseidon boom, when values changed several dollars every day. Pancontinental suffered profit-taking, and its closing level

yesterday was only 90 cents higher than a week earlier. The uncertainties were too great to turn a rush into a stampede.

The rise on the Australian market was to some extent followed through in London, when Pancontinental yesterday rose 75p to £11, still 19.50 beneath its high point for the year. Peko-Wallend remained unchanged at 530p after a gain of 60p on Thursday, and Western Mining lost 2p to 178p.

London investors remain inhibited by the high level of the investment dollar premium and the tightness of credit, while the memory of burst fingers during the Poseidon boom is still sharply etched.

Higher levies make Stock Exchange profit

By Terry Wilkinson, City Staff

THE IMPOSITION of higher levies on member firms brought the Stock Exchange into profit in the first half of its current financial year.

In the six months to September 30, 1976, it made a profit of £2,100,000, compared with a £1,000,000 deficit a year earlier.

The half-yearly statement shows a 50 per cent increase of £1m. to £3.6m, most of which stems from higher charges for general services, income from which was up from £630,000 to £1.5m.

The charge, introduced as a levy on the revenue of member firms in the spring of last year when contributions to the compensation fund ended, was originally 0.6 per cent. It was increased to 1.5 per cent, on January 1 and to 2 per cent, on May 1.

The figures imply that the income of members fell from £105m. to about £75m. during the first half—in line with the general drop in turnover on the Stock Exchange.

The Stock Exchange says that the present surplus cannot be expected to be maintained through the second half.

The full year result is expected to bear a heavier proportionate burden in the deficit on settlement services at current tariffs, unless the volume and value of business shows a significant improvement.

£3.8m. to £7.3m, and the surplus of £271,000, struck after a transfer of £1m. compared with £770,000 in a special provision on the development of Talisman, the proposed new settlement system, and other services.

Peace talks break down at BP chemicals plant

BY ROY ROGERS, LABOUR CORRESPONDENT

LOCAL TALKS aimed at averting a damaging strike broke down last night at British Petroleum's chemicals complex at Grangemouth, Scotland.

The strike is due to start on Monday. As a result production of chemicals such as styrene and high density polyethylene will be seriously hit, and according to officials the flow of North Sea oil from the Forties Field may be affected within days.

BP denies that North Sea oil supplies will be disrupted, although it admits this could happen if its cooling plant which carries out the gas separation process, is halted.

If this happens BP must decide whether simply to turn off the Forties Field oil cocks until the dispute is settled or stream, or use some of its excess tanker capacity to store the oil until

it can be refined. Diversion of the North Sea oil to alternative refineries seems unlikely.

The dispute involves about 2,000 manual workers, members of the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers, and 140 supervisors. They plan to stop work and occupy the plant from 6 a.m. on Monday.

This is the culmination of a long-simmering dispute over demands for their pension scheme to be brought into line with those of other BP employees at nearby plants.

The supervisors, members of the Association of Scientific, Technical and Managerial Staffs, began closing plant yesterday for safety reasons. Once completely shut, it will take at least three days to bring the plant on stream again.

Victory for soccer club in £5,000 court case

TELEVISION'S LACK of interest in the fortunes of Orient, the London football club, led to a legal contest between the club and the company handling advertising around the pitch at Leyton Stadium, a High Court judge heard yesterday.

The television companies, probably because Orient weren't playing football as attractively as some clubs, chose not to televise. Mr. Nicholas Colton, the club's counsel, told Sir Douglas Frank, QC.

Because the advertisements also lost TV coverage, David Capstick Advertising, who were paying the £10,000-a-year rent they had agreed to pay for the advertising concession at the stadium.

David Capstick Advertising, of Walton Street, Chelsea, relied on a clause in the contract which stated that if anything "prevents" the display, including television, of the advertisements they were under no obligation to make further payments.

The judge said he saw nothing ambiguous in the contract, and awarded Orient £5,000 and costs. It was a case of "swings and roundabouts" where the advertising company would "reap a bonanza" if things went well, he said.

Accordingly, it could not escape the consequences if things went badly. It was not the club's fault that the television companies had chosen not to televise the club's games recently.

Continued from Page 1

Buffeted £

currency role, the absolute priority at present is seen as successful negotiation of an IMF loan.

Mr. Denis Healey, the Chancellor, has told the Commons that the basis on which any action about the balances should be taken would be the successful negotiation of the existing application to the IMF.

It is clear that the same countries will supply most of the funds for any IMF loan, as might be involved in any funding of the balances, so the terms agreed with the IMF might be the basis for later talks.

Although there have been continuing discussions with other countries on this topic, no formal proposals are yet being discussed, and there is unlikely to be any major development until the New Year.

The timing is also affected by the size of the balances and the number of countries involved, since the views of the existing balance holders will have to be sought.

£100,000 prize bond next week

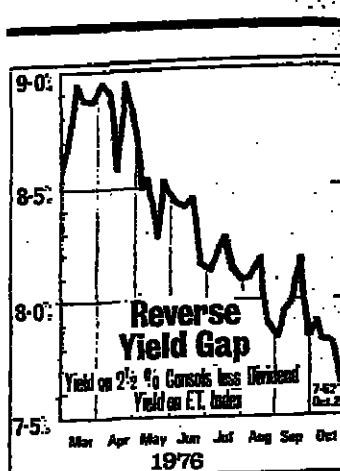
THE NEW £100,000 top prize in the monthly Premium Bond prize draw will be drawn for the first time next week. From November—the 20th anniversary of the savings scheme—the rate of interest which determines the prize fund is increased to 5½ per cent a year. There will be about £93,000 more money, available for smaller prizes.

In order to reduce administrative costs, the minimum purchase will be increased from £2 to £5. The basic Premium Bond unit remains at £1 however.

THE LEX COLUMN

Equities and the yield gap

Index rose 6.2 to 276.7



Hepworth

Hepworth confirms what UDS was saying just over a week ago—that the depression in the suiting end of the menswear trade could be starting to lift. Hepworth's profits for 1975-76 are 18 per cent, lower at £2.8m. pre-tax but the slide in sales volume in the second half of the year was contained to 15 per cent, after a drop of 25 per cent, in the first, and this year to date the groups reckon to be holding all square. In fact cash sales are 17 per cent up so far this year which looks impressive against a rise of 12 per cent by UDS in the ten weeks to September; but Hepworth has had nearly an extra month of more seasonal selling weather.

The effect of last year's overhead cutback is now showing through. Pre-tax margins in the six months to August are an eighth better, and there is the impact too of a broadening range of goods. The big question mark of course is the possibility of an increase in VAT rates; spending trends are still weak and if VAT rises suit replacement is likely to be pushed even further down the list of most family budgets.

Meanwhile the shares yield 14.1 per cent, at 24p, covered 1.3 times; net borrowings have been held to 50 per cent of shareholders' funds and the pending property revaluation stands to add "considerably" to net assets per share of 48p.

Although Bishopsgate, aged to buy in most of the future (nominal value) during the summer, exceeded its borrowings and the lenders, a U.K. and continental could presumably be payment if they were unkind. Meanwhile the capitalisation is just compared with a peak of £23m. in 1973.

As the financial deepens watch out for a day evening horror as first, but no doubt far last, comes from the Property. In the 1975, it disclosed net £7.6m., and borrow £12.3m., including secured bank loan repaid the end of 1977 and in deutsche marks, was matched against but sterling's devalued by over £3m. The been further eroded in id property shares, which sent a tenth of the in the last accounts.

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Weather

U.K. TO-DAY

Rain or drizzle in most places. London, S.E. England, E. Anglia Fog patches clearing. Occasional rain or drizzle in places. Wind light or moderate, E. Max 10C (50F).

Midlands, N. Wales, Cent. S. NW England Occasional rain or drizzle. Wind fresh, N.E. Max 10C (50F). Channel Isles, S.W. England, Wales Occasional rain dying out. Wind moderate, N.E. Max 12C (54F).

Borders, Edinburgh, Dundee, Aberdeen, East and E. England Rain in places. Wind light or moderate, N.E. Max 9C (48F).

Lakes, Isle of Man, Glasgow, cent. Highlands, Argyll, W. Mostly dry. Wind light, N.E. Outlook: Occasional rain in E. mostly dry with frost in W. Lighting up: London 5.7, Manchester 5.11, Glasgow 5.12.

BUSINESS CENTRES

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	Y'day	Mid-day	Y'day	Mid-day	
	C	F	C	F	
Alexandria	C 18	18	Madrid	F 16	16
Amman	F 20	20	Manila	C 16	16
Bombay	C 21	21	McMourne	C 16	16
Buenos Aires	F 21	21	Moscow	C 16	16
Cairo	F 21	21	Montreal	F 16	16
Calcutta	C 21	21	Moscow	C 16	16
Chennai	F 21	21	Moscow	C 16	16
Colombo	F 21	21	Moscow	C 16	16
Dhaka	F 21	21	Moscow	C 16	16
Delhi	F 21	21	Moscow	C 16	16
Dubai	F 21	21	Moscow	C 16	16
Frankfurt	F 21	21	Moscow	C 16	16
Geneva	F 21	21	Moscow	C 16	16
Hong Kong	F 21	21	Moscow	C 16	16
London	F 21	21	Moscow	C 16	16
Manila	F 21	21	Moscow	C 16	16
Moscow	F 21	21	Moscow	C 16	16
Mumbai	F 21	21	Moscow	C 16	16
Nairobi	F 21	21	Moscow	C 16	16
Paris	F 21	21	Moscow	C 16	16
Rangoon	F 21	21	Moscow	C 16	16
Reykjavik	F 21	21	Moscow	C 16	16
Rome	F 21	21	Moscow	C 16	16
Singapore	F 21	21	Moscow	C 16	16
Sofia	F 21	21	Moscow	C 16	16
Taipei	F 21	21	Moscow	C 16	16
Tel Aviv	F 21	21	Moscow	C 16	16
Tokyo	F 21	21	Moscow	C 16	16
Toronto	F 21	21	Moscow	C 16	16
Vienna	F 21	21	Moscow	C 16	16
Washington	F 21	21	Moscow	C 16	16
Zurich	F 21	21	Moscow	C 16	16